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International Herald Tribune

Published With The New York Times and The Washington Post

No. 33,727 32/91 ** PARIS, MONDAY, AUGUST 5, 1991 ESTABLISHED 1887

Israeli Cabinet Agrees To Talks

Sharon Warns Of a 'Trap,' but Shamir Prevails

Washington Post Service

JERUSALEM — The Israeli cabinet on Sunday approved Prime Minister Yitzhak Shamir's qualified agreement to attend a proposed Middle East peace conference, but not before a sharp debate between Mr. Shamir and a hard-line rival, Ariel Sharon.

The cabinet's 16-to-3 vote came after a four-hour meeting in which Mr. Sharon and other hard-liners objected that by attending the peace conference Israel would be entering a "trap" and would eventually be forced to surrender the Arab territories it occupies.

Israeli radio described the exchange as heated, and said that Mr. Shamir charged that Mr. Sharon's attack revealed a "lust for power."

Nevertheless, the debate and the lopsided vote showed that, for now, there is considerably less resistance to the conference in Mr. Shamir's Likud party and its rightist allies than there has been for other peace initiatives in recent years.

Though his coalition is dependent on small nationalist parties for its majority in the Knesset, Mr. Shamir's government appears in no danger of falling in the coming months. The opposition Labor Party has already pledged to keep Mr. Shamir in office as long as he continues the peace process.

Key Likud ministers and members of the Knesset, or parliament, who resisted a Bush administration plan for Israeli-Palestinian negotiations last year have lined up behind Mr. Shamir.

"No doubt this is a major move forward and we have to be very careful about it," said Health Minister Ehud Olmert, a Shamir ally, after the cabinet meeting. "But I think that the damage that might have been caused to Israel had we answered negatively was much greater than the risk involved."

Mr. Olmert said that if Israel had rejected the call by Presidents George Bush and Mikhail S. Gorbachev for a conference to be held in October, "it could have isolated

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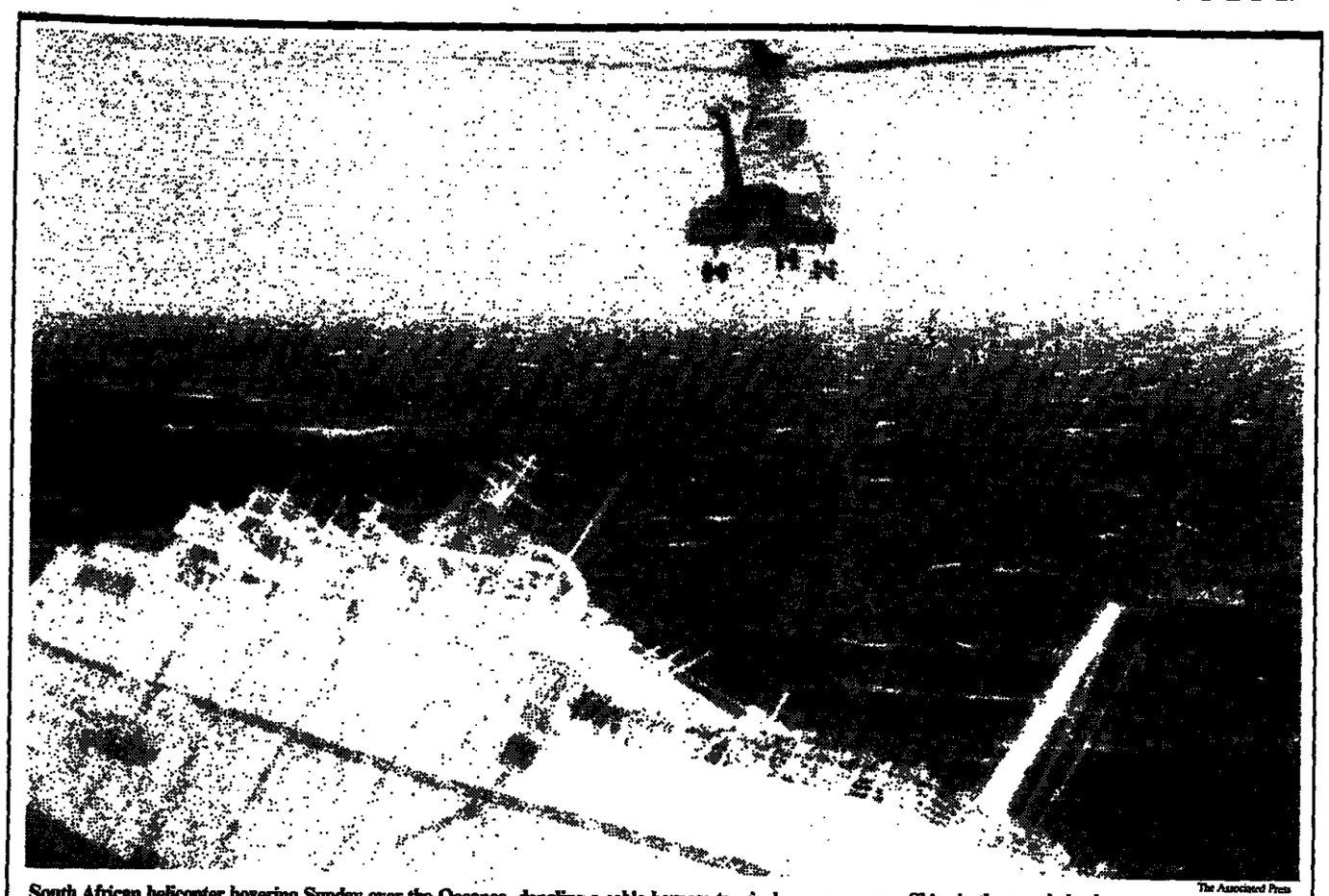

South African helicopter hovering Sunday over the Oceanos, dangling a cable harness to winch up passengers. Ships in the area helped save people in lifeboats.

The Associated Press

Liner With 580 Sinks Off South Africa, 15 Missing

Compiled by Our Staff From Dispatches

EAST LONDON, South Africa — Helicopters and ships rescued nearly all of 580 passengers and crew from a disabled Greek cruise liner before it sank Sunday in high seas off South Africa. About 15 people remained unaccounted for.

Most passengers and members of the crew aboard the cruise liner Oceanos were taken to shore 12 hours after the ship began listing heavily in waves up to 24 feet (7 meters) high en route to Durban from Cape Town, according to an air force spokesman, Michael Louw.

Most of the passengers were South African, many of them elderly.

Transport Minister P.J. Welgemoed told state television his department would investigate a report that a bomb threat had been made against the ship.

"I have already appointed a team to make a preliminary investigation," Mr. Welgemoed said. "The team is questioning the crew about what happened."

Air Force Commandant Andre Botes said the bomb threat was "only a rumor at this stage that is being investigated." He said there was an unconfirmed report that the captain of the Oceanos, John Avranas, has refused to allow policemen to board the ship to before it left harbor.

During the rescue operation, navy swimmers battled 20-foot waves as they searched the waters around the vessel. Air force planes kept up a patrol of the area in case anyone had fallen overboard or jumped in panic.

By nightfall, rescuers were still trying to find people, said Brigadier General Theo de Munnink.

An air force spokesman, Major Gerrige Evert, said that some of the missing people might have been picked up ships that have not reported in.

Winds of almost 100 kilometers (60 miles) an hour hampered the rescue effort as helicopters lifted passengers and crew from the Oceanos. Six merchant ships departed from their routes to join in the search, picking up survivors who had taken to lifeboats.

The liner was listing 75 degrees after its engine room flooded. It sank 90 minutes after the last crewman left.

At least 15 military helicopters lifted more than 200 people off the Oceanos as it floundered a mile off the Indian Ocean coast.

Terrified passengers leaped into the sea as it started to list. Major Evert said.

"People just jumped into the sea when the ship started to go over," he added. Planes dropped life preservers to people in the water. People in lifeboats were saved by merchant ships, including an oil tanker.

Despite the heavy seas, passengers and crew had decided to take to lifeboats, which they launched "with great difficulty," Brigadier General Dick Lord said.

TFC Tours of Johannesburg, which leased the Oceanos, said the ship was carrying 374 passengers, 180 crew and 26 TFC employees.

The 7,554-ton Oceanos was carrying mostly South African passengers. The crew consisted of Britons, Greeks, Egyptians, Hungarians and Mauritians.

The liner was making a Durban-Cape Town-Durban cruise and left East London on Samrday.

The ship sank off the "Wild Coast," a sparsely inhabited area littered with ships from accidents over the centuries.

On land, the storm killed at least one person, ripping off roofs, uprooting trees and blowing down power lines.

It is winter in the Southern Hemisphere, a time when strong winds and stormy seas are common.

The ship, which lost power after the engine room flooded, drifted toward Coffee Bay, which is part of the Transkei black homeland, 80 miles northeast of East London.

Lloyd's Register of Ships says the Oceanos was built in 1952, was owned by the Hellenic Co. for Sea and Water Ways of Greece and was managed by Epirotiki Lines in Piraeus, Greece.

An Epirotoki spokesman said the Oceanos had been put in drydock in Piraeus in May and was fully inspected by Lloyd's and the Greek Merchant Marine Ministry.

"The ship was in excellent condition," the spokesman said. *(AP, AFP, Reuters)*

Serbia Boycotts Cease-Fire Talks; EC Effort Fails

'Catastrophe' Is Near, Dutch Official Warns

Compiled by Our Staff From Dispatches

BELGRADE — A European Community peace mission to Yugoslavia collapsed Sunday, and Foreign Minister Hans van den Broek of the Netherlands warned that the country was "heading for catastrophe."

Mr. Van den Broek and the foreign ministers of Portugal and Luxembourg failed to secure the agreement of the feuding Yugoslav republics for an EC-monitored cease-fire in Croatia.

Two days of intensive negotiations ended when the republic of Serbia and its allies boycotted a meeting of the EC ministers and the collective Yugoslav presidency.

"Our mission in Yugoslavia failed," Mr. Van den Brock said shortly before the three EC ministers returned home.

The outcome was a blow for Croatia, which had sought the stationing of EC observers on its territory where fighting is intensifying between Croatian security forces, Serbian guerrillas and the Yugoslav Army.

The collective presidency declared a cease-fire in Croatia on Saturday but the republic's eastern region, which borders Serbia, shook with artillery fire and explosions again Saturday night and early Sunday.

The collective presidency's cease-fire proposal called for Yugoslavia's lightly armed federal police to monitor a truce. EC officials had said they would not send observers to step between the warring forces unless a cease-fire was established.

Croatian authorities said masked gunmen wearing Serbian police uniforms killed three Croatian traffic policemen at Karlovac, south of Zagreb, on Sunday. At least two people were reported killed in eastern Croatia.

About 300 people have been killed in fighting since Croatia and Slovenia declared their independence from Yugoslavia on June 25. An EC-brokered truce has been holding since July 8 in Slovenia.

At a news conference Sunday, Mr. Van den Broek said: "We tried to do everything to help you move this country forward, to stop killing and initiate a dialogue on its future. With deep regret, we have to say that we did not succeed in that."

He said there was strong support in the republics and the federal government for the EC proposals.

But he added: "On a number of these vital elements, the agreement of one party is lacking and that means the discussions are stagnating if not stonewalled. We deplore this."

Stipe Mesic, Croatian head of the collective presidency, blamed Serbia for the breakdown of the mission.

Foreign Minister Jacques Poos of Luxembourg said: "Responsibility lies with those who want to redraw the internal frontiers of Yugoslavia."

When Mr. Poos refused to be drawn further, Mr. Mesic interjected: "Obviously, Mr. Poos means Serbia."

Croatia, with a population of 4.5 million, has a strongly nationalist minority of 600,000 Serbs who oppose its drive for independence.

The Croatian government accused Serbia and some parts of the Serb-led Yugoslav Army on Saturday of aiding Serbian guerrillas in Croatia.

But the Serbian president, Slobodan Milosevic, who met with Mr. Van den Broek and his colleagues on Saturday, blamed Croatia and Slovenia for the escalation of the violence. He accused them of breaking an earlier agreement with the EC which led to the posting of EC cease-fire observers in Slovenia.

The Yugoslav press agency Tanjug said Mr. Milosevic stressed that Serbia would not allow any armed EC peacekeeping force to be sent to Yugoslavia if cease-fire efforts failed.

Mr. Van den Broek, who described the mission when he arrived as a last chance for Yugoslavia, said the idea of armed peacekeeping forces was being considered as a last resort.

A draft of the cease-fire agreement said the EC proposed placing about 150 cease-fire observers in Croatia under conditions that would guarantee their safety.

It envisaged a separation of forces, the disarming of militias and joint patrols by the army, Croatian police, Serbian representatives and possibly EC observers. The Yugoslav Army would withdraw to barracks.

Germany called for an emergency meeting of EC foreign ministers on Monday. *(Reuters, AP, NYT)*

Marriages, too, are a casualty of Serbian-Croatian strife. Page 4.

Kiosk

UN Inspector Says Iraq Cooperates

BAGHDAD (Reuters) — The head of a United Nations team seeking evidence of a germ-warfare program said Sunday that Iraq had been giving more than adequate cooperation.

"It's actually been excellent," said the inspector, David Kelly. "Every request I have made has been met, or they have said they will meet it."

Under terms of the Gulf war cease-fire, Iraq must declare and scrap all weapons of mass destruction.

General News

A South Korean official sees little thaw in relations with the North. Monday Q&A, Page 2.

A wave of crime in Hong Kong, some of it spectacular, alarms voters as elections near. Page 2.

Cuban migration will be slashed by U.S. officials. Page 3.

Business/Finance

A top aide to Hashimoto was swept up in Japan's widening financial scandals. Page 7.

Failed insurers received high marks from U.S. ratings agencies. Page 7.

Crossword Page 5.
Weather Page 2.

In U.S., Less Pain From Military Cuts

By David E. Rosenbaum
New York Times Service

WASHINGTON — For dozens of communities, hundreds of companies and tens of thousands of workers who have thrived off the U.S. weapons industry, life may never be the same. But early indications are that for the nation overall, the effect of sharply lower military budgets will be less severe than many had feared.

Some find the deep military cuts astonishing, some alarming, and others long overdue; but no one doubts any longer that the end of the Cold War and the monstrous federal budget deficit make these reductions unavoidable.

The initial jolt for some individuals and regions has been severe. Some towns may yet lose their largest employer. Some companies will merge, and others will go out of business altogether. Some engineers, managers, and assembly-line workers will have to find new jobs.

But more than 30 years after President Dwight D. Eisenhower warned of the difficulties of restraining the military-industrial complex, after decades when threatened weapons programs found ways time and again to stay alive, many communities and companies that have relied on Pentagon money have reconciled themselves to the fact that their world has changed. They are concentrating on adapting to the new climate.

In cities like St. Louis, a center of the weapons industry and now nearly a year into significant cutbacks, "the overall economy has shown resiliency.

One reason why the pain may not be so severe after all is that although military budgets have grown over the years, the economy has grown faster. So military cuts have much less impact than they once did. The military and its suppliers now make up only about 5 percent of the $5.5 trillion in goods and services Americans produce each year.

Another reason is that many American cities and towns have diversified and become less dependent on manufacturing.

Moreover, new work may be found in a huge program that the Pentagon has quietly embarked on to clean up environmental hazards at military bases.

Congress began cutting funds for the military five years ago. But be-

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Gill Allen/The Associated Press

BIRTHDAY BLOOMS — Queen Elizabeth the Queen Mother getting help from Queen Elizabeth II, left, coping with a cascade of flowers on Sunday, her 91st birthday. The queen mother was cheered by well-wishers after church in Sandringham, England.

Poland Sees Lesson In Factory's Closing

By Mary Battiata
Washington Post Service

WARSAW — Before he was fired last month, the former Communist manager at Poland's largest tractor factory had been given two years to dig the plant out of its socialist trough. Instead, for two years, he stalled — blocking the changes, hiding his mounting losses and waiting, as one worker said, "for a miracle from heaven."

It never came. On Monday morning, for the first time in postwar memory, the Ursus Tractor factory will be silent. The workers' swimming pool will be empty. The cafeteria matrons will not dole out cheap lunches of mashed potatoes and red cabbage. And more than 12,000 workers will begin an indefinite leave without pay. No one knows when or if they will be coming back.

Ursus is the first major Polish state-owned factory to grind to a halt, a casualty of the collapsed Soviet market and, above all, of government inattention.

The revelation of its near-bankruptcy shocked the Polish public and the political establishment. Visiting the factory grounds in a suburb of Warsaw last week, a visibly angry Prime Minister Jan Krzysztof Bielecki accused management and assorted government bureaucrats of "economic incompetence" and bungling that bordered on "sabotage."

But like a canary in a mine shaft, the keeling over of Ursus — the symbol of worker protest in the 1980s as its defiant Solidarity work force repeatedly faced down Communist militia — may serve a larger good. Confronted with Ursus and other large industrial plants in similar financial straits, the government last week shifted course.

For the first time since Poland began its program of economic shock-therapy nearly two years ago, the government conceded that market

See URSUS, Page 4

Serial Killer Portrait: 'Punishing Himself, Punishing Them'

By James Barron
and Mary B. W. Tabor
New York Times Service

On Page 98 of Jeffrey L. Dahmer's Ohio high school yearbook is a photograph of 45 honor society students lined up shoulder to shoulder, their hair well combed, their smiles confident.

One senior three rows from the top has no smile, no eyes, no face at all: His image was blacked out with a marking pen, reduced to a silhouette by an annoyed student editor before the yearbook went to the printer.

The silhouette was that of Mr. Dahmer in the spring of 1978, a couple of months, he says, before he killed his first person, with a barbell, and 13 years before he confessed to one of the most horrific strings of slayings in modern times.

With grades that ranged from A's to D's, Jeffrey Dahmer fell far short of honor society standards, but he sneaked into the photo session as if he belonged. No one said a word until long after the flashbulb had popped and the shutter had clicked.

In all the years he cried out for attention, it was one of the few times he got caught. By then he had taught himself to live behind a mask of normality that hid his confused, often contradictory emotions. It was a mask no one pulled down until one night last month, when a man in handcuffs dashed out of Mr. Dahmer's bizarrely cluttered apartment in a tough Milwaukee neighborhood, called the police and stammered that Mr. Dahmer had been trying to kill him.

The authorities say at least 17 other men did not get away; that Mr. Dahmer drugged their drinks, strangled them, cut up their bodies with an electric buzz saw; that he discarded unwanted bones in a 57-gallon drum he had bought specially for the purpose; that he lined up three skulls on a shelf in his apartment, but only after spraying them with gray paint, to fool people into thinking they were plastic models, the kind an aspiring artist or a medical intern might study.

Once, he told the police in Milwaukee, he fried a victim's bicep in vegetable shortening and ate it.

Some criminal psychologists see traits in Mr. Dahmer that they have studied in other mass killers. Among them are Theodore Bundy, who was electrocuted in Florida in 1989 after a 15-year trail of violence believed to have taken the lives of at least 30 young women across the nation, and John Wayne Gacy, who was convicted in 1980 of the sex killings of 33 young men in Chicago.

"We're dealing with some of the same dynamics that we can see in Gacy," said Ted Cahill, who wrote a book about the Gacy killings. "The dysfunctional family, a guy who denies his homosexual feelings to erase whatever shame he might feel in committing these acts, who destroys the people who attracted him in the first place.

"He's punishing himself and punishing them at the same time."

Now everyone from detectives to radio talk-show hosts is puzzling over the Dahmer case. There were the facts: a home where parents went through a bitter divorce; a brother who he long believed was the favorite in the family; a mother who he told police had had a nervous breakdown; a lack of close friendships. But the facts stop short of explaining why he did what he says he did.

He was an elementary school student who stored animal skeletons in bottles of formaldehyde. A high school drinker who swigged Scotch in early morning classes. An army medic who convinced

See DAHMER, Page 4

Little Thaw in Inter-Korean Relations, South Korean Says

United States military commanders are now more concerned about North Korea as a threat to peace in the Far East than they are about the Soviet Union's still powerful armed forces in the region. In Kuala Lumpur, during a tour of Southeast Asia, Lee Sang Ock, the foreign minister of South Korea, discussed the situation on the Korean Peninsula with Michael Richardson of the International Herald Tribune.

MONDAY Q&A

Q. The Cold War has ended in Europe and many other parts of the world. Is Asia experiencing the full benefits of easing East-West tension?

A. Not yet. The waves of reform and openness of the post-Cold War era in other regions are now reaching Asia. But the impact will be felt very slowly because the situation here is different from Europe. There are still some Asian Communist countries that resist reform.

Q. Now that South Korea has established diplomatic ties with the Soviet Union and is improving relations with China, what are the prospects for better relations between North and South Korea?

A. The Soviet Union has recognized the importance of constructive dialogue between the authorities of the two Koreas as the key to the solution of the Korean problem. China is slowly coming to recognize that. We hope that we will be able to establish diplomatic relations with Beijing in the near future.

Unfortunately, the inter-Korean relationship has not shown similar improvement, although North Korea has shown some signs of change. Pyongyang has agreed to North and South Korean membership in the United Nations. It has said it will sign an agreement with the International Atomic Energy Agency that is intended to prevent diversion of civilian nuclear energy to military use. The North has also agreed to resume talks at prime ministerial level in August, which it suspended earlier this year.

These changes are positive and welcome. We hope that by becoming full members of the U.N. together in the fall, South and North Korea will be able to improve their mutual relations substantially and move toward genuine reconciliation and cooperation.

●

Q. Has there been a fundamental change of policy in Pyongyang toward Seoul?

A. We think that so far the changes have been tactical. But we are confident that North Korea will come to accept the reality of the South Korean government as a negotiating party and will pursue a dialogue with it that will lead to a modus vivendi pending ultimate reunification of the country.

In the talks between us that have taken place in the past few years, the North has pursued a two-track policy. While dealing with the government in Seoul, Pyongyang has also had contacts with radical students and dissident groups in the South for its own purposes.

Q. Despite the encouraging trends, is there still a serious risk that North Korea will develop nuclear weapons even though it has agreed to sign the International Atomic Energy Agency's nuclear safeguards agreement?

A. Pyongyang has agreed to sign but has not yet done so. Signing would be an important step but it must also be accompanied by faithful implementation. The North must open all its nuclear facilities to IAEA inspection.

Judging from intelligence reports and expert assessments in South Korea, the North will be able to develop nuclear weapons by the mid-1990s. We and many other countries see this as a serious threat to peace and security not only to the Korean Peninsula, but also to the entire region of North Asia.

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Q. Are you confident that the North will allow IAEA inspectors full access to all its nuclear facilities, including suspected uranium reprocessing and enrichment plants at Yongbyon?

A. That remains a question of serious concern. North Korea has been known for its unpredictable behavior.

Moreover, IAEA inspection is not 100 percent foolproof. Another form of verification may be needed because cheating is always possible.

Q. If South Korea suspects that the North is cheating or does not allow full inspection of all its nuclear facilities, will it develop nuclear weapons of its own or remove the North Korean threat by military means?

A. We will continue concerted diplomatic efforts to ensure that the North forgoes its nuclear option. At the moment, we are not thinking of any other measure.

Q. Is the U.S. military presence in South Korea still essential?

A. There will be a phased reduction in the number of U.S. troops stationed in South Korea over the rest of this decade. But the American military presence will remain to safeguard peace on the Korean Peninsula.

The world is changing. But North Korea is not really changing. So the South still faces a serious security threat.

Wave of Spectacular Crimes in Hong Kong Alarms Voters

By Laurence Zuckerman
International Herald Tribune

HONG KONG — Life in Hong Kong may not be getting more dangerous, according to police statistics, but it certainly seems that way.

A rash of spectacular armed robberies over the last few weeks has alarmed the public and made crime a dominant issue in the campaign for the first direct elections to the colony's Legislative Council, which are set to take place next month.

The crime wave has also raised concerns that closer integration with the mainland before Hong Kong's return to China in 1997 is leading to a rapid increase in lawlessness.

What most disturbs the authorities, politicians and, apparently, the public about the robberies is the increasing use of guns and hand grenades, which the police report are coming across the border from mainland China.

In the most sensational incident so far, three men hijacked an armored car near the airport last month and made off with $21.4 million in cash, the largest single robbery in Hong Kong's history.

The Royal Hong Kong Police have been working hard to try to solve the case but do not appear to have made much progress.

At the same time, the police are also trying to cope with a rash of thefts in which gangs of young toughs have been preying on Hong Kong's many small jewelry and watch shops. The police say such robberies have nearly doubled in the first half of this year compared with last year, netting about 100 million Hong Kong dollars ($13.8 million).

Tommy Tong, who owns a jewelry shop in Yuen Long, a village surrounded by high-rise apartment buildings not far from the border, was robbed twice in two weeks. In each case, three men — one with a handgun, one with a grenade and the third, who was unarmed, standing watch outside — stormed his shop, pistol-whipped two of his employees and made off with thousands of dollars in gold.

In another incident, a gunmen standing guard outside a jewelry shop during a robbery fired off the entire magazine of an AK-47 assault rifle. Nobody was hurt.

Hong Kong has strict gun control laws, and until recently the number of criminals using firearms was small. But as economic ties between the colony and neighboring Guangdong Province have grown in recent years, weapons have begun to come across the border.

The bridge at Lo Wu, once the crossing point for just a trickle of visitors between Hong Kong and China, now sees 12,000 vehicles with more than 40,000 passengers commuting daily.

Police say they have uncovered syndicates in which gunmen are brought from Guangdong for a specific job and then returned home after they are finished.

Rifles are rarely used, but hand guns and grenades are gaining popularity. According to the police, many of the weapons come from Vietnam, are traded across the Chinese-Vietnamese border, and then make their way to Hong Kong.

"These grenades are very dangerous," said Robert Holland, a bomb disposal officer with the Royal Hong Kong Police. "At seven meters' distance, 50 percent of all people would either be killed or so seriously maimed that they would be totally incapacitated."

Police officials say that they are working hard to cut off the flow of arms but that they need more help from across the border.

Officers who prefer to speak anonymously complain that the Guangdong police are corrupt, a charge that the Royal Hong Kong Police crime chief, Wong Tsan-kwong, obliquely acknowledged at a news conference last month when he said that the rising number of weapons was "not a problem that is likely to be resolved by Guangdong authorities alone."

"We have to take it further," he said.

The colony's budding politicians are also calling for more cooperation from China, as the colony moves toward elections. The candidates are eager to appeal to voters' daily concerns about problems like crime and the rising cost of living.

Feudalism Revived: China's Traffic in The Bartered Bride

By Sheryl WuDunn
New York Times Service

BEIJING — The television screen shows two young women being led to a suburban home where they are told they will be given lucrative jobs.

They wait in a small, locked room and soon discover to their horror the real nature of the deal: they are being sold, for about $950 each.

The television dramatization is one of a few tools the government is using to warn women about a feudalistic practice that is doggedly making its way back into rural China — the buying and selling of women to serve as wives.

The partial emergence of a market economy has reinvigorated this variation of slavery as travel becomes easier and peasants accumulate enough cash to purchase a bride.

No one knows how common the sale of wives is, but it almost certainly is increasing rapidly. Confidential documents presented recently to China's legislature say that the authorities investigated 18,692 cases of women being sold against their will last year; presumably many other cases never came to the attention of the authorities.

The documents say that 65,236 people have been arrested in the last two years for involvement in the sale of women and children.

"There are some comrade leaders who do not recognize the threat and the seriousness of this repulsive social phenomenon," one of the internal documents said. "Some cadres and party members at the grass roots even connive at, participate in and support the criminal activity of the kidnapping and sale of women."

The documents were circulated to the standing committee of the National People's Congress. In June, the panel discussed stricter punishment for traffickers in women and children, a spokesman said.

The sale of women disappeared during the first 20 years of Communist rule, and slowly reappeared in the 1970s and 1980s. The number of cases has shaprly risen since 1985, the documents say.

In rural areas, a bride's family will traditionally insist on a wedding ceremony, and these days the cost of weddings has soared, as neighbors try to outdo each other.

That has created a strong incentive to buy a wife and save the cost of the festivities.

A wife typically costs less than $1,000, compared with from $700 to $3,000 for a wedding, and the family of the purchased bride is obviously not around to insist on a lavish wedding ceremony.

Some of the women are foreigners, mostly Vietnamese. Last year, at least 2,716 Vietnamese women were repatriated after being kidnapped and sold, although the documents did not say how they came to China in the first place.

The typical Chinese victim is a woman from a poor region who is lured — by the prospect of a new job, a better life or free travel — into following a trafficker to another province.

Once she is in his hands, the trafficker essentially kidnaps her, often beating or raping her. Sometimes the process of abduction can involve a network of more than 100 traffickers.

The women are often young and unsophisticated and have no idea how they could escape, even if they had money for bus fares. In addition, they are sometimes locked up until they have borne children, and frequently local villagers side with the man who has parted with his life savings to buy a wife.

One document criticized the current legal regulations for trafficking, which essentially stipulate that a common trafficker who is not a gang leader or a rapist is sentenced to less than five years — the same term given to a thief who has stolen a head of cattle worth less than $200.

B.K. Bangash/The Associated Press

MISSING MEALS — Former Prime Minister Benazir Bhutto of Pakistan taking part on Sunday in a 12-hour fast outside the parliament in Islamabad. She was joined by scores of members of her Pakistan People's Party in protesting the policies of Prime Minister Mian Nawaz Sharif, including a new law that gives the government sweeping powers to deal with suspected criminals.

Record Flooding in Austria

Agence France-Presse

VIENNA — Four people have died in Austria's worst floods in 30 years, the authorities said Sunday. Cities declared disaster areas include Salzburg, Linz, and Krems.

L.A. Giving Its Metro the Star Treatment

By Robert Reinhold
New York Times Service

LOS ANGELES — It could not have been otherwise, in this land of movie make-believe, sun and glitter. When this automobile-bound city finally gets its first subway line in a couple of years, riders will walk into caverns of color, fantasy and whimsy.

At the Hollywood and Vine Station, fittingly enough, a ride downtown will start with a walk along a yellow brick road to the ticket booth. The capitals atop the columns along the platform below will be shaped like palm fronds and the whole station will resemble the great movie palaces of old: screens mounted on either end of the station will show old movies as trains rumble through.

Choked with traffic and smog, Los Angeles is hoping that enough people can be lured to mass transit to bring relief. And art is a major part of the lure.

"These stations will be places where people come as magnets," said Neil Peterson, executive director of the Los Angeles County Transportation Commission, as he unveiled the designs that artists have contrived for five stations on the Hollywood segment of the Los Angeles Metro.

Despite pressures to cut costs in tough times, rail officials have insisted on giving art a top priority. A total of 47 public artists from Los Angeles, New York and other cities have been commissioned to collaborate with architects and engineers in the original design of public spaces in a rail system that is ultimately to include 300 miles (500 kilometers) of subways and light rail lines for commuters.

The core of the system is the $4 billion Red Line, a 17.4-mile subway with 16 stations that will carry commuters to downtown Los Angeles from the San Fernando Valley, Hollywood and the mid-Wilshire District. The first segment of five stations is scheduled to open in 1993.

New York also has an active subway art program, but it mainly involves additions to existing stations. In building a new subway, Los Angeles has the advantage of being able to incorporate art in the original designs. And according to Jessica Cusick, a former New Yorker who is administrator of the rail art program here, the artists have drawn heavily from the rich and eclectic, if brief, histories of the neighborhoods the stations serve.

Thus at Hollywood Boulevard and Vine, once the center of the movie industry, the glitter of old Hollywood was picked up as a theme by Gilbert Lujan, a Chicano artist from East Los Angeles who calls himself Magu.

A central motif is stars, in the paving and light fixtures. A tile mural conveys the artist's vision of Hollywood and there are numerous references to music.

At the station where Vermont Avenue crosses Santa Monica Boulevard, Robert Millar, an exemplar of the California "light and space" school of art, has designed a broad plaza, all in red, that includes shops and a performance area.

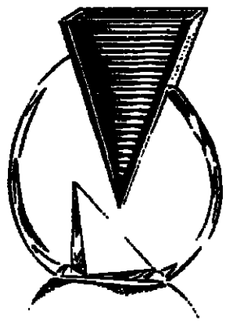
A large skylight covers the escalator so passengers riding down will face a large lighted wall. The mezzanine, where tickets are sold, is a huge yellow oval.

At Hollywood Boulevard and Western Avenue, now the heart of the polyglot immigrant communities that have settled in Hollywood, a Chinese-American artist, May Sun, has drawn on numerous ethnic symbols, from Indian and Chinese cultures among others, in a Gaudi-like design marked by random color tiles.

And at Vermont and Beverly Boulevard, commuters will find huge rocks on the plaza, complemented by a vein of fake rocks coming out of the ceiling over the tracks. The colors are soft, like the greenish patina on bronze, and the design by George Stone evokes the elegance of turn-of-the-century train stations, Ms. Cusick said.

Now the question is this: Will people ride the trains?

"MIDNIGHT BLUE
REFLECTED
IN A
LIMPID SCULPTURE
SIGNED BACCARAT"



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Wichita Is Abortion's New Storm Center

By Isabel Wilkerson
New York Times Service

WICHITA, Kansas — Much like the tornadoes that Kansans curse but live with, a political storm has touched down on this prairie city and hurled it into the center of the national debate over a woman's right to an abortion.

For nearly three weeks, Wichita has been an increasingly vivid symbol of the emboldened anti-abortion movement as members of Operation Rescue focus on the city's three abortion clinics, flinging themselves under cars, sitting by the hundreds at clinic doorways and blocking women from entering as they read them Scripture.

The confrontations resulted in more than 1,600 arrests and the closing of all three clinics for more than a week in late July.

[An additional 321 demonstrators were arrested on trespassing charges during an anti-abortion protest Saturday, The Associated Press reported from Wichita.]

The city has had to assign nearly a quarter of its police force to control the protests, and a federal judge last week ordered federal marshals to keep the clinics open.

The confrontations show no sign of abating, and some doctors have had to perform abortions in predawn hours to avoid disruption.

Operation Rescue, the renegade of the anti-abortion lobby, came to Wichita looking for an America of wheatfields and churchgoers, far from the noisy, liberal cities that they find hostile. They were looking for a sympathetic ear and a congregation to preach to.

And with their walkie-talkies and hushed game plans, they were also anticipating a fight.

On at least one front, they found what they were looking for.

Wichita has one of the few clinics in the country where women can get an abortion in the final three months of pregnancy. The one-story clinic, Women's Health Care Services, run by Dr. George R. Tiller, has become the lightning rod.

Clinic officials say that of the 2,000 abortions performed each year, about 10 to 12 are for women in the third trimester, and they are usually prompted by severe fetal abnormalities or life-threatening risks to the mothers. About 35 percent are performed on women in their second trimester, the remainder in the first.

At times it has taken 40 police officers, some on horseback, to keep the clinic's doors open. And even then, said Dr. Tiller's lawyer, "protesters shoved their way through and crawled beneath them."

Police officers have also arrested their own in-laws and siblings who joined the protests, and clinic staff members have worked 36-hour shifts for fear that if they left they would not be able to get back in.

"We feel this entire city is under siege," said a spokeswoman for the clinic. "We have anarchy. It's a horrible feeling. Where is the line ever going to be drawn in the name of freedom of speech?"

WORLD BRIEFS

Soviets, in Baghdad, Denounce U.S.

BAGHDAD (AFP) — Visiting Soviet legislators and their Iraqi counterparts on Sunday denounced what they called U.S. global hegemony and the United Nations-imposed economic embargo on Iraq, the official Iraqi press agency, INA, said.

"The new world order based on the hegemony" of the United States caused "inequality and instability in international relations," the legislators said in a joint statement.

The officials also called for the lifting of economic sanctions against Iraq and the barring of "foreign interference in Iraqi internal affairs." Ten Soviet legislators are in Baghdad for a weeklong visit, the first of its kind since the end of the Gulf war.

Sri Lanka Forces Break Tamil Siege

COLOMBO (UPI) — Helicopters of the Sri Lankan Air Force began evacuating wounded soldiers from a strategic army camp Sunday, just hours after a military task force fought its way through Tamil guerrilla defenses and lifted a three-week siege of the post.

The 8,000-soldier task force led by Brigadier Vijaya Wimalaratne fought its way at dusk Saturday across a strip of territory held by the Liberation Tigers of Tamil Eelam to break the siege of the Elephant Pass camp.

Helicopters quickly began arriving to evacuate 53 soldiers wounded early in the battle as well as others wounded while holding the camp against the rebel assault. Helicopters had been unable to land there since fighting began three weeks ago.

Thai Coup Leader Takes Over Army

BANGKOK (AP) — Thailand's most powerful figure, General Suchinda Kraprayoon, on Sunday also assumed the job of supreme military commander in an annual reshuffle of top military ranks. General Suchinda was a leader of the Feb. 23 military coup which ousted the civilian government of Prime Minister Chatichai Choonhavan.

Thailand radio said General Suchinda would take over as commander of all military services Oct. 2 when the new appointments take effect. The reshuffle, necessitated each year by the mandatory retirement of military personnel at the age of 60, involved 642 officers, the radio said.

The current supreme commander and a senior coup leader, General Sunthorn Kongsompong, retires this year. He serves as chairman of the National Peacekeeping Council, the junta which seized power after charging that Mr. Chatichai's government was riddled with corruption. The military allowed the formation of a civilian government and promised elections next year but still remains the dominant force in the country.

Genscher Seeks New Europe Force

BONN (AFP) — Foreign Minister Hans-Dietrich Genscher of Germany advocated on Sunday the creation of a European peacekeeping force within the framework of the Conference on Security and Cooperation in Europe.

The move would "improve the effectiveness" of the Conference members' response to crises, Mr. Genscher said. He said the Western European Union, which groups all European Community members except of Ireland, Greece and Denmark, could form the nucleus of the peacekeeping force. In addition to military "blue berets," he said, the Conference could set up a force of "green berets" to deal with ecological threats stemming from armed conflicts.

Mr. Genscher, who has called for a European peacekeeping force to be sent to Yugoslavia, said that if there was support for his proposal, he would convene an emergency meeting of the Western European Union and the Conference crisis committee.

87 Die in Zimbabwe When Bus Flips

HARARE, Zimbabwe (AP) — An overcrowded bus flipped on a winding road, killing at least 83 children and 4 teachers in the worst road accident in Zimbabwe's history, the police said Sunday.

The driver, whom passengers had begged several times to slow down, also died, officials said. Eleven pupils and teachers, returning from a sports outing, were critically injured. The state radio said it appeared the bus brakes had failed.

Safety inspectors here have often accused private bus drivers of endangering passengers by driving crowded vehicles at high speeds or while under the influence of alcohol or drugs.

TRAVEL UPDATE

Spanish train service was almost back to normal Sunday after two Basque separatist bombs damaged tracks Friday night at the start of one of the heaviest summer holiday weekends, the railroad company RENFE announced in Madrid. *(AFP)*

Bangkok's vehicle pollution poses a health threat for residents and visitors, according to a senior environmental official, and is at a a "critical level." He said a recent study showed that noise, dust and lead levels all had risen well above international standards. *(AFP)*

This Week's Holidays

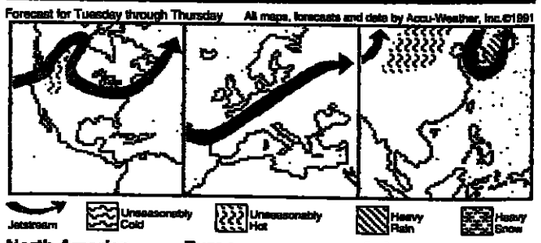
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bahamas, Barbados, Burkina Faso, Canada, El Salvador, Grenada, Guyana, Iceland, Ireland, Jamaica.
TUESDAY: Bolivia, El Salvador, Grenada, United Arab Emirates, Zambia.
WEDNESDAY: Colombia.
THURSDAY: Iraq.
FRIDAY: Singapore.
SATURDAY: Ecuador.
SUNDAY: Jordan.

Source: J.P. Morgan, Reuters.

The Weather

Forecast for Tuesday through Thursday — All maps, forecasts and data by Accu-Weather, Inc.©1991



North America
Tuesday through Thursday will feature moderate warmth and little rain from Chicago eastward to New York City. The South will be steamy with scattered thunderstorms. From Vancouver to Los Angeles, the West Coast will have dry weather.

Europe
From Portugal to Italy, Tuesday through Thursday will be very warm with a good deal of sunshine. There will be times of cloudy, rainy weather from Ireland and England to southern Scandinavia. A few showers are possible from Paris to Berlin.

Asia
Rainy weather may persist Tuesday through Thursday in Japan, especially west of Tokyo. Beijing and Seoul will be dry much of the time. Normal sweltering heat throughout Southeast Asia will be diminished temporarily by hit-or-miss thunderstorms.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	35/95	20/68 s	36/86	21/70 s
Amsterdam	27/80	16/61 pc	24/75	17/62 pc
Athens	30/86	19/66 s	31/88	20/68 pc
Barcelona	32/89	21/70 s	32/89	20/68 s
Belgrade	27/80	15/59 pc	27/80	14/57 pc
Berlin	27/80	15/59 pc	26/79	14/57 pc
Brussels	27/80	17/62 pc	26/79	16/61 pc
Budapest	28/82	14/57 pc	27/80	14/57 pc
Copenhagen	24/75	15/57 pc	23/73	7/44 c
Costa Del Sol	33/91	23/73 s	33/91	23/73 s
Dublin	22/71	11/52 sh	19/66	12/53 c
Edinburgh	23/73	12/53 sh	20/68	13/55 c
Florence	30/86	17/62 s	31/88	18/64 s
Frankfurt	31/88	16/61 pc	27/80	15/59 pc
Geneva	28/84	16/61 pc	28/82	15/59 s
Helsinki	23/73	12/53 c	24/75	13/55 s
Las Palmas	30/86	21/70 s	31/88	22/71 pc
Leningrad	24/75	12/53 c	26/79	13/55 s
Lisbon	33/91	19/66 s	34/93	20/68 s
London	27/80	15/59 pc	25/77	15/59 pc
Madrid	37/99	21/70 s	37/99	22/71 s
Milan	28/82	16/61 pc	29/84	17/62 s
Moscow	23/73	13/55 c	27/80	14/57 s
Munich	29/82	16/61 pc	28/77	14/57 c
Nice	30/86	19/64 s	30/86	19/66 s
Oslo	21/70	14/57 pc	20/68	13/55 c
Paris	29/84	16/61 pc	29/82	17/62 pc
Prague	29/84	16/61 pc	28/82	16/61 pc
Reykjavik	18/61	8/46 pc	15/59	8/45 pc
Rome	30/86	19/66 s	30/86	19/66 s
Stockholm	24/75	14/57 pc	26/79	16/61 s
Strasbourg	28/79	16/61 pc	27/80	16/61 pc
Venice	29/84	16/61 pc	29/84	17/62 s
Vienna	27/80	14/57 pc	26/79	13/55 pc
Warsaw	28/82	16/61 pc	27/80	16/61 pc
Zurich	26/79	14/57 pc	26/79	14/57 pc

Middle East

Ankara	24/75	13/55 sh	24/75	13/55 pc
Beirut	32/89	22/71 pc	32/89	22/71 pc
Cairo	33/91	17/62 pc	33/91	18/64 s
Damascus	33/91	18/64 s	33/91	17/62 s
Istanbul	23/73	16/61 sh	24/75	16/61 pc
Jerusalem	28/82	16/61 s	29/84	17/62 s
Riyadh	43/109	26/79 s	44/111	27/80 s

Oceania

Auckland	18/61	6/46 sh	16/61	11/52 r
Sydney	22/71	7/44 s	21/70	10/50 pc

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	29/84	26/79 t	30/86	26/79 t
Beijing	32/89	23/73 s	32/89	22/73 s
Hong Kong	32/89	26/79 pc	31/88	26/79 pc
Manila	33/91	25/79 sh	32/89	26/79 t
New Delhi	32/89	27/80 t	38/102	30/86 pc
Seoul	29/84	22/71 sh	29/84	23/73 sh
Shanghai	32/89	22/71 s	33/91	23/73 s
Singapore	32/89	26/79 pc	32/89	26/79 pc
Taipei	34/93	24/75 pc	33/91	24/75 pc
Tokyo	31/88	25/77 t	31/88	24/75 t

Africa

Algiers	32/89	19/66 s	33/91	20/68 s
Cape Town	16/59	9/48 pc	16/61	9/48 pc
Casablanca	34/93	20/68 pc	34/93	20/68 pc
Harare	27/80	16/61 pc	27/80	16/61 pc
Lagos	29/82	24/75 sh	30/86	25/77 pc
Nairobi	22/71	13/55 pc	22/71	13/55 pc
Tunis	31/88	22/71 s	31/88	22/71 s

Latin America

Buenos Aires	13/55	2/35 pc	10/50	-1/31 pc
Caracas	30/86	24/75 t	31/88	24/75 pc
Lima	17/62	13/55 pc	19/66	13/55 pc
Mexico City	25/77	13/55 t	25/77	13/55 pc
Rio de Janeiro	24/75	18/61 s	23/73	16/61 pc

North America

Anchorage	21/70	8/46 pc	21/70	8/46 pc
Atlanta	34/93	23/73 t	32/89	22/71 pc
Boston	28/79	18/64 pc	26/79	17/62 pc
Chicago	24/75	14/57 s	27/80	15/59 s
Denver	26/79	14/57 s	30/86	15/59 t
Detroit	25/77	13/55 s	28/82	16/61 s
Honolulu	30/86	23/73 pc	31/88	24/75 pc
Houston	34/93	23/73 t	34/93	24/75 pc
Los Angeles	26/79	17/62 pc	26/82	18/64 pc
Miami	33/91	25/77 t	32/89	26/77 pc
Minneapolis	24/75	14/57 pc	27/80	17/62 pc
Montreal	21/70	13/55 sh	23/77	12/53 pc
Nassau	31/88	26/79 pc	31/88	26/79 pc
New York	29/84	19/66 s	28/82	20/68 s
Phoenix	40/104	27/80 s	40/104	28/82 s
San Fran.	21/70	13/55 pc	21/70	14/57 pc
Seattle	22/71	13/55 pc	23/73	13/55 pc
Toronto	23/73	13/55 pc	26/79	15/59 s
Washington	30/86	20/68 s	29/84	19/66 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice

U.S. Moves To Reduce Visit Visas For Cubans

By Clifford Krauss
New York Times Service

WASHINGTON — Concerned about a resurgence of migration from Cuba, the Bush administration is taking steps to sharply reduce the number of Cubans coming to the United States.

The administration last week temporarily froze new applications for six-month tourist visas, which are running at a rate about triple that of last year.

A senior State Department official said Washington would soon announce currency restrictions designed to cut visa fees that have provided the Cuban government with desperately needed dollars as more Cubans leave.

The number of Cubans coming to the United States illegally on boats or rafts is also increasing, but it is far lower than of those coming legally as tourists.

Nevertheless, the Defense Department has drawn up contingency plans for a naval blockade in the event that President Fidel Castro unleashes an exodus of the kind that flooded south Florida with 129,000 immigrants in 1980.

"There's widespread acknowledgement that Castro could strike out in any number of ways, but we are committed to stopping another Mariel," a senior Pentagon official said, referring to the port from which the 1980 exodus took place.

While administration officials do not consider another Mariel imminent, they have become concerned by the numbers of Cubans who are remaining beyond their visas.

Officials of the Immigration and Naturalization Service say they believe that about 13,000 of the 36,000 Cubans who have come to the United States since November have stayed illegally. If the current rate of applications were allowed to continue, they would total 100,000 this year, as against 35,000 in 1990.

State Department officials say the changes in immigration policy were initiated primarily because Florida officials have warned that such an increase would pose an intolerable strain on the state's schools, hospitals and other social services. But they say the Bush administration would not be unhappy if the new policies put added strains on the Castro government.

"Cuba is undergoing pressures that are more severe than at any time since Castro came to power," said Bernard W. Aronson, assistant secretary of state for inter-American affairs.

Beto Matthews/The Associated Press

Nelson Mandela addressing a crowd in Salvador, Brazil, on Sunday as his wife, Winnie, donned a cap bearing an anti-apartheid slogan.

Mitchell on Bush: 'Negative'

Democrat Accuses President of Obstruction at Home

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — Setting the political tone for next year's elections, the Senate majority leader accused President George Bush on Sunday of planning to run a "negative" campaign against Congress that ignores urgent domestic needs.

Senator George J. Mitchell, Democrat of Maine, speaking in a broadcast interview, said he believed that Mr. Bush planned to veto virtually all major legislation in the next year.

"The president's strategy is very clearly a negative, veto strategy," Mr. Mitchell said. "He has very little in the way of a domestic program of his own, and I think what you'll see is a political plan over the next year and a half which will be for the president simply to veto whatever the Congress does and then to run against the Congress."

The senator's comments came in response to equally pointed criticism leveled by Mr. Bush on Friday. Congress is "frustratingly negative on everything," the president complained. He charged that Congress was bottling up his domestic proposals while passing some "lousy" Democratic ideas.

Mr. Bush has vetoed 21 bills, resulting in legislative deadlock on some issues.

Mr. Mitchell challenged Mr. Bush to sign legislation extending unemployment benefits to Americans who have been jobless for more than six months.

The senator, noting that Mr. Bush has backed emergency aid for Kurds, Turks and Israelis, said, "We now say there are Americans who now need help. It's an emergency. The president says 'No.'"

■ Bush Strategy Meeting

John E. Yang and Ann Devroy of The Washington Post reported earlier from Washington:

Organizing and fund-raising for President Bush's re-election campaign are expected to begin next month, although a formal declaration of his candidacy probably will not come until early next year, according to Bush advisers who discussed the 1992 election with the president over the weekend at Camp David.

Mr. Bush, in his first formal discussions about a campaign for a second term, spent more than three hours with more than two-dozen political advisers Saturday at the presidential retreat in Maryland.

The group was basically optimistic but warned Mr. Bush of his vulnerability on domestic issues, according to participants.

Several of the strategists told Mr. Bush to expect a more personal attack from Democrats in 1992 than he encountered from the Democratic nominee, Michael S. Dukakis, in 1988, participants said.

Mr. Bush, 67, said last week that only "a health problem" would cause him to rule out a run for re-election. "And I don't have one right now," he added.

Among those attending the strategy session were Commerce Secretary Robert A. Mosbacher; Treasury Secretary Nicholas F. Brady; Vice President Dan Quayle; the White House chief of staff, John H. Sununu, and a media adviser, Roger Ailes.

After Funding Furor, U.S. Aid for Zulus

By Don Oberdorfer
Washington Post Service

WASHINGTON — The Agency for International Development is preparing to grant $2.5 million to the Zulu-based Inkatha Freedom Party, according to administration officials. Inkatha has been at the center of the scandal that threatens to bring down the South African government.

The AID grant, which is opposed by a group of U.S. church and labor organizations, would be about four times as large as the $614,000 in secret payments from the Pretoria government to Inkatha that rocked South African politics when it was disclosed two weeks ago.

A senior State Department official said the administration planned to go ahead with its aid program for Inkatha as well as with a larger grant to Inkatha's rival, the African National Congress. The official defended the grant as public rather than clandestine. Despite the scandal, the official added, Inkatha remains "an important political force."

The assistance to both groups will be for such "infrastructure support" as office and communication equipment, clerical help and equipment needed for the publication and distribution of pamphlets, AID said.

But the Washington Office on Africa, which represents several U.S. church and labor organizations, said in a statement that the AID funds should be "reallocated" to other South African anti-apartheid organizations, because of the revelations of secret official funding for Inkatha and because of reports that Inkatha is responsible for a large share of the black violence that has plagued South Africa.

The AID grant to Inkatha is part of a $10 million "Transition to Democracy" project for South Africa that Congress initiated and President George Bush signed into law last year, with all funds to be used on behalf of victims of apartheid.

Notification documents sent to Congress last week showed that in addition to the Inkatha and ANC grants, AID plans to give $2 million to community-based organizations through the South African Council of Churches and the National Endowment for Democracy, and $1 million to the U.S. Information Agency to help provide black South Africans with negotiating expertise.

Sources said AID had initially planned to provide three times more assistance to the ANC than to Inkatha. But congressional conservatives, including Senator Jesse Helms, Republican of North Carolina, insisted on more for Inkatha.

The ANC, headed by Nelson Mandela, is South Africa's main anti-apartheid movement. Inkatha, the second-largest black political group, is headed by the Zulu chief, Mangosuthu Buthelezi.

D'Amato Discounts Effects of Inquiry

New York Times Service

NEW YORK — Senator Alfonse M. D'Amato's political foes say his chances for re-election next year have been set back by a Senate ethics inquiry into his conduct, despite a finding of "no credible evidence" to support allegations of influence-peddling and other wrongdoing.

But the Senate inquiry found that the senator had "conducted his office in an improper and inappropriate manner" by letting his brother Armand use it on behalf of a law client seeking a Defense Department contract.

Some of the New York Republican's opponents have also criticized the Senate Ethics Committee's 18-month investigation as inadequate, noted that the senator still faces other inquiries into his decade in office and said that the voters would ultimately be the judge of his standards of integrity.

But an ebullient Mr. D'Amato lashed out at his critics, praised supporters who had been loyal throughout the investigation and, although acknowledging that the confidence of some voters may have been shaken by press reports of his troubles, insisted that his re-election campaign was on track.

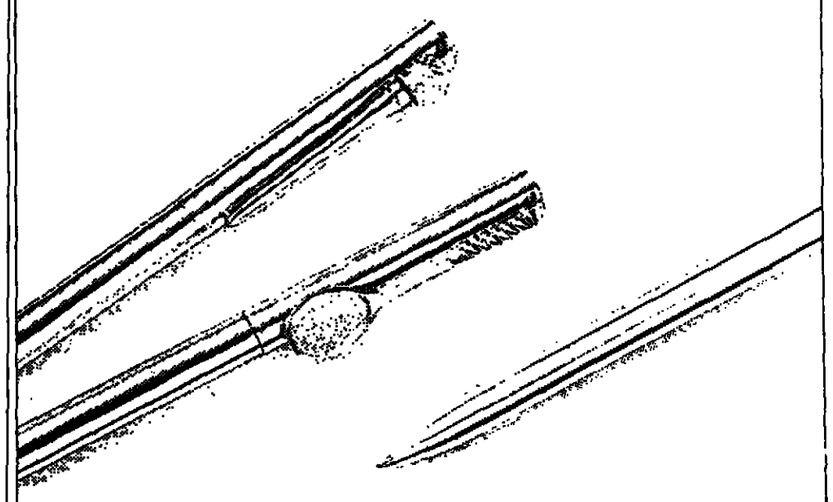
The committee announced on Friday that it had found no evidence to support charges that Mr. D'Amato had violated Senate rules and federal laws on behalf of campaign contributors, friends, relatives and political associates. It recommended no disciplinary action.

Astronauts Start Week of Research

The Associated Press

CAPE CANAVERAL, Florida — The five Atlantis astronauts have launched into more than a week of scientific research after accomplishing their chief task of sending a shuttle communications satellite into space.

They were to perform a medical test on Sunday to explore possibilities of easing the body's transition from weightlessness to gravity as a prelude to the first two-week shuttle mission next summer.



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Thai

Maja Ilic/Agence France-Presse

Foreign Minister Hans Van den Broek of the Netherlands, left, reviewing papers with Franjo Tudjman, the Croatian president, in Belgrade on Sunday before the EC peace mission collapsed.

Broken Serb-Croat Marriages: 'I Will Shoot Him'

By Blaine Harden
Washington Post Service

KOMAREVO, Yugoslavia — They were married four years ago — he a Serb and she a Croat. They paid no attention.

Now, she is in a camouflage uniform as a medic with the Croatian National Guard, posted here in a village on the front lines of a war between Serbs and Croats.

Mirjana Vojnovic, 24, has been trained to give inoculations and treat wounds and also to fire a machine gun and fight with a knife.

Zeljko Vojnovic, 28, her former husband, is fighting on the Serbian side. He is reported by his neighbors to have joined with a guerrilla unit within 10 miles (16 kilometers) of here.

For the last month, Serbian guerrillas have been using sniper fire and mortar attacks to terrify Croats and seize their villages.

Nearly everyone has fled this village, and a Serbian assault is expected any day.

"If I have to, I will shoot him," said Mirjana, referring to Zeljko, the father of her 13-month-old son. "It is better that I shoot him than he shoots me."

The collapsed marriage of Mirjana and Zeljko Vojnovic, and the possibility that they may soon fight each other, is a nightmarish example of tensions that are tearing at mixed marriages across the republics of Croatia and Serbia.

Worsening civil war is rapidly undoing the ethnic tolerance that began to take root here after the butchery between Croats and Serbs in World War II.

In Zagreb, where there are about 200,000 ethnic Serbs, and in Belgrade, the capital of the country as well as of the Republic of Serbia, where there are tens of thousands of Croats, there is no fighting.

But Serbs and Croats in mixed marriages in both cities have spoken of an insidious and inescapable turmoil in their lives.

Those married people do not speak out openly, for fear of upsetting their spouses and infuriating their in-laws. But Mirjana Vojnovic, now divorced and living in a makeshift barracks at a primary school here in Komarevo, is free to speak about domestic life in a country of many nationalities where tolerance has evaporated.

"When we were teenagers, we played together, went to school together, drank and danced together," she said. "There was no question in the minds of people in my generation about marrying a Serb or a Croat. Our parents thought about it, but we didn't."

What the parents remember, she said, is World War II. Historians estimate that of the 1.7 million Yugoslavs who were killed between 1941 and 1945, about a million died in ethnic strife, most of it Croat against Serb.

When the war ended, Marshal Tito, the Partisan leader, tried to replace ancient ethnic hatreds with communist ideals. As a Partisan leader and a dictator who was either feared or revered, he did not hesitate to use force when idealism did not suffice and managed to mute the nationalist hatreds.

In regions where Croats and Serbs had killed each other during World War II, Croatian and Serbian neighbors began to work together bringing in crops. By the 1960s, mixed marriages were becoming common. Many children of those marriages declared themselves to record keepers to be "Yugoslavs," rather than "Croats" or "Serbs."

When Marshal Tito died in 1980, old hatreds were again unchained. Totalitarian communism had merely repressed ethnic differences; it had not solved them.

Serbian nationalism exploded in the late 1980s with the rise to power of Slobodan Milosevic in Serbia. He used the state press and broadcasting to remind Serbs of the Croatian war crimes.

Mirjana Vojnovic's marriage fell apart shortly after Mr. Milosevic rose to power in Serbia. She was living with her husband's family.

"I didn't have a name in that house," she complained. "They called me 'she.' But my husband wanted me to stay there so I did, for two years. I thought it would get better, but they hated me all the time."

She said she left in 1989 and went to live with her mother in Sisak. After two months, she said her husband came to live with her and her mother. But the marriage quickly collapsed. Two weeks after her husband left for the final time, she discovered she was pregnant.

The child is staying with his Croatian grandmother.

Mirjana said she almost never talks anymore to a Serb.

"People I played with and went to school with, we look at each other as enemies," she said. "It is really hard for us."

Asked if she would ever consider marrying a Serb again, she laughed and shook her head.

"I don't think it will be possible to have mixed marriages again," she said.

URSUS: *Closed Factory Offers a Lesson in Economics*

(Continued from Page 1)

forces alone would not be sufficient to transform Poland's state-owned industrial giants into profitable private companies.

Instead of leaving factories to fend largely for themselves, the government will now play a much more activist role. It will function as a technical adviser, credit manager, and even bankruptcy judge.

"After so many years of a state-steered economy, it is impossible to have no intervention at all," said Henryka Bochniarz, the technocrat tapped in the wake of the Ursus collapse to overhaul the government's policy toward state enterprises. "We cannot assume that the market is going to be the only regulator."

In the next two weeks, Ms. Bochniarz — the industry minister designate — and a crisis team will inspect the largest and most important factories and set up an "early warning system" to alert the government to the most endangered factories. In some cases, the team will recommend restructuring and streamlining, in others, debt relief, and still others, selling of assets.

Poland's actions are sure to be closely watched by governments trying to do the same thing across Eastern Europe, and particularly by the Soviet Union, where the centrally planned economy is so much more entrenched and the scale of trouble so much larger.

"This is a very important moment, almost a crossroads for Poland," said Jeffrey Sachs, the free-market economist who helped shape the Polish transformation program. "You have 100 to 200 firms in deep trouble."

But does the shift toward greater intervention mean Poland is softening on overhauling the economy? Government officials say no, pointing out that the plans do not include government bail-outs. Officials, though, concede that political pressure for bail-outs will increase as the country heads toward its first free parliamentary elections, in late October.

Mr. Sachs and and other officials say the government's most important task will be simply to carry out a long-overdue piece of the original plan: a law change that will force state-owned factories to act like corporations. So-called commercialization will allow the government to appoint new managers, and boards of directors to oversee those managers.

ADAPT: *U.S. Cities and Companies Cope With Cuts*

(Continued from Page 1)

cause of the lag between the time money bills are enacted and when the funds are spent, the effects are only now beginning to be felt.

The Bush administration plans for military spending to fall by an additional 20 percent in the next five years. Many politicians and military analysts expect Congress to cut even more.

Purchases of aircraft, ships, tanks and missiles — the lifeblood of an industry larger than the auto industry — could well be halved.

Illustrating the pressures on businesses dependent on military contracts, General Dynamics Corp. announced in May that it might cut its work force by nearly a third over the next four years. Most stunning, the announcement came shortly after the company, the nation's second-largest weapons supplier, had won a share of the biggest military contract of this decade.

"Our defense establishment is shrinking at an alarming rate," William A. Anders, the former astronaut who is chairman and chief executive of General Dynamics, said in a letter to employees. "As our market shrinks, we should plan to shrink as well."

To a large extent, the decisions on just which individuals and communities will be hit most turn on the answers to some fundamental questions:

- Which companies, industries, and arms-research projects must be kept alive in case a rapid military buildup is warranted?
- Should the government keep companies alive just for the sake of competition?
- How many large military contractors will the shrunken market bear, and how many small, specialized companies can the country afford to lose?
- Can military suppliers diversify into civilian work?
- Can the Pentagon learn to use equipment and component parts made primarily for civilian consumption?

"I don't think the administration, the military or the Congress has really decided where we want to be," said Senator William S. Cohen, Republican of Maine, a member of the Armed Services Committee.

DAHMER: *Portrait of the Milwaukee Serial Killer*

(Continued from Page 1)

his buddies that he hated anything more invasive than taking soldiers' blood pressure. A candy-factory worker who killed a gay man in a Milwaukee hotel, packed the body into a suitcase, took an elevator to the lobby, hailed a cab and had the driver put the suitcase in the trunk.

Like Mr. Gacy and Mr. Bundy, Mr. Dahmer pursued his victims undetected for years. Some of them came from the fringes of society, and there were so many that he could not remember them all — men he filed in his memory not by name but by their tattoos.

He had a glib side, talking his way into Vice President Walter F. Mondale's suite and the office of the humorist Art Buchwald on a school trip to Washington. But his hometown — Bath Township, Ohio, home to Firestones and other decision makers who presided over the tire factories of nearby Akron — was a tight-lipped place. Mr. Dahmer was tight-lipped about himself. And if anyone realized how unusual some of his behavior was, no one did anything about it.

"Whatever had gone on in Jeff's life, he couldn't talk about," said Martha Schmidt, a classmate at Revere High School who is an assistant professor of sociology at Capital University in Columbus, Ohio. But, she added, "it seemed so clear all along that it was someone saying, 'Pay attention to me.'"

He had been saying it for years. School records of his teachers' comments suggest that his feelings of alienation were apparent as early as the first grade, when he was 6. His mother was ill in 1966 before and after the birth of his brother, David. "Jeff felt neglected," said a school official in Doylestown, Ohio, where the Dahmers had enrolled their son in Hazel Harvey Elementary School that autumn.

The family moved to nearby Barberton before the school year was over, and a little more than a year after that, when Jeffrey was 8, they moved again, to Bath. From what his father, Lionel, told a Milwaukee probation officer last year, that would have been about the time Jeffrey was sexually assaulted by a neighborhood boy.

Mr. Dahmer, in his talks with the police, has denied that he ever was assaulted in that way.

Eric Tyson, who grew up across the street in Bath, said Jeffrey had kept chipmunk and squirrel skeletons in a backyard shed and tended an animal burial ground at the side of the house, marking the graves with little crosses. "A number of neighbors have recalled seeing animals, such as frogs and cats impaled, or staked to trees," he said.

One day he went to a class with some Scotch, and Ms. Schmidt asked why he was drinking.

"It's my medicine," she said he replied.

Sneaking into the honor society photograph became something of an annual prank: He did it when he was a junior as well as when he was a senior. "It was a very Jeff thing to do," Ms. Schmidt said. "It was part of his trying to be unconventional and to mock everything around him. I think he very consciously chose the honor society because I think in some ways he was laughing at himself and us."

There was turbulence at home: The Dahmers' marriage was unraveling. One acquaintance said that as things deteriorated Lionel Dahmer isolated himself in a separate part of the house.

It was in the final weeks of the divorce settlement, just after Jeffrey's high school graduation, that he committed what he has told the police was his first homicide. The killing went unreported until he told the police about it last month.

He told the police that he had picked up a hitchhiker named Steven Hicks and taken him home for a beer. Mr. Dahmer said they had had sex.

When Mr. Hicks wanted to leave, Mr. Dahmer smashed the back of his head with a barbell and then strangled him. He dragged Mr. Hicks's body into a crawl space under the house, cut it into pieces and stored it in garbage bags. Later, he buried the bones, only to dig them up, crush them and scatter them in a ravine behind his parents' house.

That set a pattern that authorities say Mr. Dahmer followed in Milwaukee, where he turned his grandmother's house and later his own apartment into killing factories: He would offer people beer or money to pose nude while he took photographs. When they wanted to leave, he became violent.

"He wanted someone to be with," said Sheriff David Troutman of Summit County, Ohio. "He was there with Steven Hicks, and he didn't want him to leave."

After killing Mr. Hicks, Mr. Dahmer spent a semester at Ohio State University. Then he enlisted in the army and reported for duty at Fort McClellan, Alabama, in the spring of 1980. He began training to be a military police officer, but soon transferred to Fort Sam Houston in San Antonio, Texas, for a six-week course as a medical specialist, the military equivalent of a nurse's aide.

From what Mr. Dahmer told the police last month, he had fantasies of killing people when he was 17 or 18, and they recurred after he left the army in 1981 and moved to Milwaukee, where his grandmother lived and where he eventually got a job at the Ambrosia Chocolate Co.

But he told the police that he did not kill again until late 1984 or early 1985, when he "discovered the gay bars."

According to police reports written after his arrest last month, Mr. Dahmer met his first victim in Milwaukee at the 219 Club, a bar frequented by homosexuals. He and the victim went to the Ambassador Hotel, where a room for two costs $43.88 a night, plus a refundable $10 key deposit. In the police report, he did not say that he had killed the man; he just talked about how the two of them got drunk and passed out. "When he woke up, the guy was dead and had blood coming from his mouth," the report read.

Mr. Dahmer told the police that he left the body in the room while he went to a mall, bought a suitcase, returned to the hotel, put the body inside, called a taxi and took the suitcase to his grandmother's house, where he was living. There, he dismembered the body and disposed of it. The police report did not indicate where his grandmother was at the time.

According to the report, he did not kill again until a year later, this time at his grandmother's house. He told the police that he met the man at the 219 Club and gave him sleeping pills after they had had sex. Then, he said, he strangled the man. He said he also drugged his third victim at his grandmother's house.

Mr. Dahmer was arrested in 1986 for taking photographs of a 14-year-old boy and was convicted and sentenced to a year in jail. He was released after serving a partial sentence. The killings then resumed, he told police. He was seeing a parole officer.

He said that in 1989 he had sex with a man, drugged him and stabbed him with a hunting knife. Then he dismembered the body in the bathtub and used hydrochloric acid to destroy the bones.

Mr. Dahmer said his next killing, two months later, followed the same routine: sex, drugs in a drink, death and dismemberment. "Subject states he began getting quicker at cutting up the bodies," the police report noted.

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Will U.S. Tactical Skill Backfire in Mideast Peace Talks?

By Jackson Diehl and David Hoffman
Washington Post Service

JERUSALEM — As the Bush administration moves closer to the remarkable achievement of convening a Middle East peace conference, diplomats and political leaders around the region are at once marveling at Washington's tactical skill and wondering whether, when the time comes for the give-and-take of actual peace-making, its moves will end up backfiring.

In the course of the last month, President George Bush and Secretary of State James A. Baker 3d have managed to persuade two of the Middle East's most cautious and mutually antagonistic parties — Israel and Syria — to agree to negotiate directly with each other for the first time in 43 years.

Though much haggling remains to be done in the coming months, it now appears most likely that the peace conference planned for October will also include Israel's other neighbors, Palestinians from the occupied territories and representatives of the Gulf states.

In managing to bring together the governments of the Middle East despite their oft-manifest aversion to negotiating with each other, Mr. Baker has pulled off a feat that few predicted was possible when he began his mediation effort five months ago, leading to six trips through the region.

Still, U.S., Arab and Israeli officials have expressed concern in recent days that the U.S. procedural victory has done nothing to change the fundamental attitudes of Israel and its neighbors or narrow the yawning gap between their views on territory, security and coexistence.

Instead, some officials say, both Israel and the Arabs have accepted the U.S. plan solely to improve their relations with the Bush administration, or out of

NEWS ANALYSIS

fear of the consequences of defying Washington. Once the conference begins, officials fear, the attention and tactics of the parties may remain focused on Washington rather than on each other, making progress on substantive issues nearly impossible.

"Yesterday it was proven that no man in the Middle East can stand in the way of a determined American President Bush," wrote Akiva Eldar, diplomatic correspondent in the Hebrew daily Ha'aretz on Friday, the day after Israel announced its qualified agreement to attend regional peace talks. Even "tough customers" like Prime Minister Yitzhak Shamir of Israel and President Hafez Assad of Syria, he said, "aren't capable of blunting the world's only boss on his way to convene a peace conference."

But, Mr. Eldar said, "in the long run — and we can count on Shamir that it will be very long — it will become clear that the argument concerning procedure at the conference and even the issue of Palestinian representation will be a kids' game in comparison to negotiations on the future of the territories and Jerusalem."

U.S. officials concede that the next stage of diplomacy will be considerably more difficult than the first, and that the substitution of U.S. maneuvering and coercion for goodwill between the parties can only go so far. But these officials feel that, given the nature of leadership in the region, this is the only viable approach.

Unlike during the Camp David peace negotiations in 1978-79, this time Bush administration strategists are expecting no bold initiatives such as the trip in 1977 by President Anwar Sadat of Egypt to Jerusalem, which served as the catalyst for the peace pact. Officials say that with leaders like Mr. Shamir and Mr. Assad, both stubbornly insistent on exacting concessions without making any, the only way to move ahead is to coerce them into inch-by-inch progress.

The U.S. officials insist, however, that such forced, incremental advances should be taken seriously and that they will stick. Each new statement from Mr. Shamir, Mr. Assad, King Hussein of Jordan or King Fahd of Saudi Arabia "creates a new baseline" from which it will be difficult, if not impossible, to retreat, a senior American official said. Similarly, once the peace conference begins, neither Israel nor the Arabs will find it easy to walk away from the table.

Still, diplomats and analysts in the region say they suspect that some of the tactics Mr. Baker used to get to the conference will prove to be handicaps down the road. Mr. Baker has not been above political bribery, in the form of separate bilateral agreements involving U.S. assurances to each of the parties involved. Several of the sets of U.S. guarantees reportedly are now being put into writing.

Mr. Baker has said publicly, however, that there will be no secret assurances to any party and no guaranteed outcome to the talks.

This belies what other officials in the region say has been occurring in private. Among the assurances the Bush administration has given to Syria, officials in Damascus say, are that the United States does not recognize the 1981 annexation by Israel of the Golan Heights, which it captured from Syria in 1967.

At the same time, the administration has reportedly pledged to Israel that it will not be asked to talk to Palestinians from East Jerusalem or the Palestine Liberation Organization, and that the United States will not allow an attempt by Arab states to avoid direct bilateral negotiations with Israel.

When the conference begins, each party could consequently react by simply demanding that Washington fulfill its promises to them, observers say.

"The second day of the conference, Assad will say to Baker: 'You promised me the Golan Heights. Now give it to me,'" said a senior Israeli government official. "We for our part will say to the Americans: 'You promised us that Syria would engage in direct negotiations with us. Now make them negotiate.'"

"If it happens that way," the official concluded, "the conference probably won't get too far."

Jacqueline Arzt/The Associated Press
Ariel Sharon, after voting Sunday against the peace conference.

ISRAEL: *Cabinet Supports Talks*

(Continued from Page 1)

the state of Israel and the government of Israel."

Polls show that the Israeli public strongly supports Mr. Shamir's move toward attending the conference. One survey published last week said 78 percent of Israelis favored the talks, while only 17 percent were opposed.

One reason the Israeli stance is relatively uncontroversial internally is because of the condition Mr. Shamir added to his acceptance: that the question of how Palestinians are represented at the conference be resolved to Israel's satisfaction.

Mr. Shamir has made a variety of demands to the Bush administration on this issue ranging from the exclusion from the conference of Palestinians from East Jerusalem and the Palestine Liberation Organization to the banning of the Palestinian flag from the conference hall.

Last year, Mr. Sharon mobilized strong opposition to Mr. Shamir and the peace process within Likud on the basis of such issues.

As the formula for Palestinian representation at the conference is debated in the coming weeks, the prime minister could still be threatened from the right if he is seen to retreat from his various demands, his aides say.

Palestinians have said they will not accept any Israeli right of veto over their delegates, and have insisted that Arabs from East Jerusalem must be represented.

In addition to Mr. Sharon, representatives of the small Tehiya-Zionist Revival Movement and Moledet parties voted against Mr. Shamir's decision. Science and Energy Minister Yuval Neeman, who heads Tehiya, said it would decide later this week whether and when to leave the coalition government, but the Moledet leader, Rahavam Zeevi, said his faction would stay.

General elections are not scheduled until the fall of 1992. There is speculation, however, that Mr. Shamir will move up the elections once the conference begins, capitalizing on the domestic credit he could gain if the negotiations actually take place, and at the same time delaying any Israeli decision on concessions to its Arab neighbors. —JACKSON DIEHL

PLO Adviser Signals Support for the Conference

By David Hoffman and Caryle Murphy
Washington Post Service

TUNIS — A political adviser to the Palestine Liberation Organization chairman, Yasser Arafat, signaled Sunday that the PLO would not stand in the way of a Middle East peace conference.

Bassam Abu Sharif, who represents a moderate line within the PLO, said, "I don't think there will be an obstacle that is big enough that would prevent the Palestinians from going to the conference."

His comments struck a conciliatory note toward efforts by the United States and Soviet Union to organize an October peace conference. He spoke as Secretary of State James A. Baker 3d met Sunday with President Zine Abidine ben Ali of Tunisia in an effort to broaden Arab support for the peace conference and persuade Palestinians to participate.

The United States last year suspended a dialogue with the PLO after a faction attempted a terrorist raid on an Israeli beach. During a daylong visit Sunday to Tunis, Mr. Baker did not have any direct contacts with the PLO, which has its headquarters here.

Mr. Sharif's comments appeared to reflect a desire by some within the PLO to find a compromise formula for Palestinian representation at the talks, which has long been one of the most difficult obstacles to negotiations.

All of the Arab states bordering Israel have agreed to attend the conference, and Israel has said it would attend if the issue of the Palestinian delegation can be worked out.

Mr. Baker has begun intensive discussions with Palestinians from the occupied territories about creating a delegation that will be acceptable to all parties, including Israel. Mr. Baker has urged Palestinians from the territories, with whom he has held frequent meetings, not to be the lone holdouts from the peace conference.

Israel has objected to any Palestinian delegation that would include representatives of the PLO, which it regards as a terrorist group, and to any delegates from predominantly Arab East Jerusalem, which Israel annexed after it was captured in the 1967 war.

The PLO has said — and Mr. Sharif insisted again Sunday — that Israel cannot be allowed to choose the Palestinian representatives, who would be part of a joint delegation with Jordan.

Mr. Sharif said he believed that a compromise formula can be found.

"I think there is room for a formula that will facilitate the peace process," he said. "I hope that this will be discussed seriously between the PLO and the United States, because we are serious people and we believe that President Bush and Mr. Baker are serious people, and they really intend to help this region establish peace."

One compromise that has long been discussed would be to include a Palestinian representative with ties to East Jerusalem who maintains a residence elsewhere. Asked about this, Mr. Sharif at first insisted, "We cannot exclude our brothers and sisters in Jerusalem from being represented. No one has the right to exclude them."

But, he added, "There is room to reach."

Mr. Sharif's remarks seemed to reflect a desire by some within the PLO to come up with a compromise formula.

Group Threatens Palestinians Who Met With Baker

Reuters

GAZA, Israeli-Occupied Gaza Strip — The fundamentalist Islamic Jihad movement in the Gaza Strip has threatened to kill Palestinian leaders who have met with Secretary of State James A. Baker 3d about Middle East peace talks.

Islamic Jihad, in a leaflet obtained on Sunday, singled out Faisal Husseini, leader of the Palestinian delegation that met with Mr. Baker last week.

"Islamic Jihad condemns the traitors who surrender to solutions and warns anybody against sitting and negotiating," the leaflet said.

In Gaza, a Suicide Is Symbol of Palestinian Despair

By Nora Boustany
Washington Post Service

KHAN YOUNIS, Israeli-Occupied Gaza Strip — On the second day of the Moslem feast of sacrifice known as Adha, Suad Tibi, 35, a nurse and mother of seven, took her own life. She drank half a bottle of insecticide at midnight and staggered to her death in the hot, humid hallway of her home.

The next day, mourners and neighbors nodded to one another that she had died with her secret. But there are no secrets in Gaza. The Tibis are poor and forsaken, living in squalid quarters in the camp of Khan Younis in the Gaza Strip, where even the gray sand seems to be rotting in the sun.

Suad Tibi was one of Gaza's victims — a symbol of a Palestinian community that, in its poverty and hopelessness after 24 years of Israeli occupation, is literally tearing itself apart.

Suicide rates among men and women here have quadrupled in the last three years, according to Iyad Sarraj, a psychiatrist, and there are other acts of self-destruction.

At Shifa Hospital, several of 20 burn cases from hot paraffin oil are believed to have been deliberate incidents, especially those in which the oil had been poured over the head and shoulders.

A three-week stay in the dusty shantytowns of the Gaza Strip is like a visit to a forgotten planet. Even for Palestinians from the West Bank, the "strip" is the other side of the moon, a place no one ever sees. It is a maze of pungent sewers, cactus-claimed lanes and bare, somber homes overflowing with children. Although it borders the magnificent coastline of the Mediterranean, it is as closed and claustrophobic as a prison.

At least 700,000 Palestinians now live in the strip, a population that grossly overtaxes the sandy, water-starved stretch of land that covers 440 square kilometers (170 square miles).

The people are crammed into eight huge refugee districts and neighboring villages, often five or six to a room with nothing but thin, narrow mattresses on the floor serving as beds at night and sofas by day.

The decades of Israeli occupation, neglect by Arab nations and relentless population growth have converted Gaza into one of the Middle East's most explosive trouble spots — a political and socio-economic disaster area that is likely to be a source of instability for years to come.

"Nobody cares, no Arab state, not even the Palestine Liberation Organization," said Qassem Ali, a local journalist, former prisoner of Israel and former member of the Popular Front for the Liberation of Palestine. "This is the most dangerous point in Gaza's history, and we don't feel there is a listening ear. The depth of tragedy and deprivation are greater than Gaza itself."

Suad Tibi finally escaped from Gaza. Her portrait reveals that she was a woman of delicate features, with an ivory complexion and huge brown eyes. On the night of June 23, she was alone with her sadness.

The men in her family were all dead, deported or in jail. Her husband, a former prisoner, was blown up in a car while planning a guerrilla operation in 1986; his brother was shot by Israeli soldiers during a demonstration at Bir Zeit University; another was killed in an air raid in southern Lebanon, and another was fatally wounded in the 1967 war.

Majed Tibi, 13, said he would not weep for his mother. "Someone like me cannot be a child," he said. "I am crying in my heart. If I break down, my mother would be troubled, I know it. If she were here, I would not want her to worry."

His sister Nisrine, 15, was not as brave in holding back her tears. Suad died in her arms telling her eldest she could finally rest from all the problems that now had been passed to Nisrine.

Suad awakened her family that night for a final game of cards, the only distraction after curfew other than television. When night falls, the refugees creep into their huts, dragging in their worries, and close the doors.

It was in this strangely serene and sandy wilderness that the Palestinian uprising, the *intifada*, was born on Dec. 9, 1987, when Palestinian riots broke out in the Jabaliya district and were followed by similar protests in Nablus and other towns in the West Bank.

But the dynamic of tension has turned inward for now. The frustrations — the quiet rage against controls, poverty and arrests — have been building up, while the Israeli Army has consciously lowered its military profile, reducing friction in the street by relying on local informers.

The Palestinian self-slaughter was evident here on the eve of Adha, the feast that marks Abraham's sacrifice of a sheep after God spared his son. On that night in June, masked men entered the Mussada Mosque in the central refugee district of Maghazi with hatchets, axes and butcher knives. They were after Youssef Taleb Akhras, a gambler and recovering alcoholic accused of collaborating with the Israeli occupation forces.

Mr. Akhras sat in the front row with his son Mahran, 4, in full view of the imam. But even such visibility was no protection from the hooded, self-appointed guardians of Gazan society. Mr. Akhras's head was split open, and he was stabbed repeatedly.

"You are called upon to tear the flesh of collaborators to shreds," warns a mural along the road leading to Rafah, the most restive cluster of districts on the strip. More than 165 people have been killed for suspected collaboration in Gaza since March 1989. Israeli officials say only 40 percent of those were actually linked to the authorities.

People suspected of collaborating are forewarned with beatings and graffiti, and some are pursued into operating and recovery rooms for the final stabbing. Widows suspected of consorting with strangers or unwed mothers-to-be do not survive in Gaza. Women considered "loose" are a security risk, on the ground that they can be used to trap and inform on activists.

Dean Burch Dies, Key Republican

United Press International

POTOMAC, Maryland — Dean Burch, 63, a former Republican Party national chairman and also a former head of the Federal Communications Commission, died of cancer at his home on Sunday.

Mr. Burch rose to prominence in Republican politics by playing a major role in Senator Barry Goldwater's 1964 presidential campaign, which he served as deputy director. Despite Mr. Goldwater's landslide loss to Lyndon B. Johnson, Mr. Burch was rewarded for his work by being named chairman of the Republican National Committee, where he served in 1964 and 1965.

Aspin Urges Fixed Team Of UN Inspectors in Iraq

International Herald Tribune

WASHINGTON — The chairman of the House Armed Services Committee urged the White House on Sunday to play down the removal of Saddam Hussein as a policy goal and instead focus on flooding Iraq with permanent United Nations inspectors.

Representative Les Aspin, the Wisconsin Democrat, said in a television interview: "I think you just flood the country with inspectors and insist on compliance with UN resolution 687 — which is no more chemicals, no more biologicals, no more nuclears, no more missiles."

The Iraqi president had no choice but to agree, Mr. Aspin said.

His spoke as the United States and its Gulf war allies sought to identify and neutralize weapons of mass destruction that survived the bombing of Iraq.

The U.S. military could easily destroy such weapons and manufacturing sites if they were first properly identified, Mr. Aspin said.

"What we really need to worry about is our ability to identify them," he said.

The congressman said the possibility that dictators like Mr. Saddam could build nuclear weapons, and the missiles to deliver them, argued in favor of construction by the United States of a limited missile defense system.

Defense Secretary Dick Cheney, interviewed with Mr. Aspin, said that Washington was planning for the possibility that it would have to attack Iraq's remaining weaponry, "and that involves thinking about targets as well."

Mr. Cheney said that if President George Bush decided that such action was needed, "we will have the political, the diplomatic and the military capacity to perform that mission."

ACROSS

1 Sailor's mop
5 Tree-climbing civet
10 Margaret Truman's "Murder at the ——"
13 City in Kan
14 Vest
15 Shutout spoiler
16 Admirer of Gallic people
18 Transport in Genesis
19 Clooney hit, 1955
20 Tall and slim
22 Suburb of Paris
23 Kind of barrier
25 Worn out
28 Corrective
31 Concealed
32 Telegram
33 The Charles's pet
34 Whoopi's role in "Ghost"
35 Kind of cream
38 Short-legged horse
39 Finished
41 Covered-wagon team
42 Hersey's town in Italy
44 Weigh down
46 Hot dog
47 Hunter on high
48 — — Blanc
49 Hope-chest fabric
51 Perrine and Bertinelli
55 Baba, the woodcutter
56 Symphony in D minor composer
59 Orel's stream
60 Casts out
61 Actress Witherspoon
62 Juan or Jose
63 Loco
64 Carpentry item

DOWN

1 Prepare flour
2 Had on
3 Comical King
4 Tossed from side to side
5 Answer
6 Deadly pale
7 Emulate Phil Mahre
8 Part of R.S.V.P.
9 Forever, in verse
10 Order founded in Assisi 1209
11 Walled town
12 Very dark
14 In a poorer state
17 Hand covering for Roman boxers
21 Role for Price
23 Canary's cousin
24 Foretoken
25 Lyric poem
26 "... grown by what it — —": Hamlet
27 Native of Hesse
28 "The — —," 1984 film
29 Make amends
30 Toil
32 Pallid
36 Rider of the falls
37 Louganis feat
40 Seine feeder
43 Take away
45 Finely chopped
46 Eats greedily
48 Oscar-winning Borgnine part
49 Vientiane is its capital
50 Actress-writer Chase
51 Immense
52 Privy to
53 Yellowish gray
54 Three-handed card game
57 Alter follower
58 Mount a diamond

Solution to Friday's Puzzle

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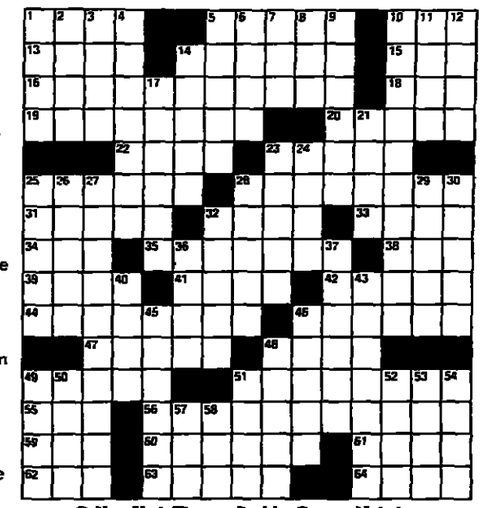

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Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

OPINION

A Risk Worth Taking

The hard work of Secretary of State James Baker has put the Middle East back on the road to peace, a road not traveled since Jimmy Carter brokered an Israeli-Egyptian treaty in 1978. Syria, reading the new geopolitical landscape, abandoned its insistence on United Nations centrality and no direct talks with Israel, and accepted the American bid to a minimal United Nations conference role and direct talks. Jordan, Lebanon and Saudi Arabia then fell into line. A wary Israel is now aboard, subject to the final details on Palestinian representation. The mostly self-battered Palestinians are under heavy pressure from their friends to go along.

First a big hello meeting and then face-to-face talks: This format is what Israelis want. Direct talks worked with Egypt. Yet Israel worries deeply that the United States will squeeze it to accept the international formula of territory for peace. An earlier Israeli government was ready to consider territorial concessions in both the West Bank and Golan. The current Likud government rejects this formula. It distrusts Arab assurances of peace, and it wants to keep the land, especially the West Bank, and settle more immigrants. It is possible to imagine Yitzhak Shamir making some sort of territorial deal on Golan but hardly on the West Bank. Meanwhile, Hafez Assad demands that Washington deliver full territorial restoral to Syrians, Palestinians and Lebanese alike.

Mr. Shamir has used American friendship and the Bush administration's eagerness for a conference to win reluctant administration tolerance of his provocative, conference-eve West Bank and Golan settlements. He has also won approval for key conference conditions. The United States appears to have consented to fence out the PLO altogether, tuck Palestinians into a Jordanian delegation, exclude Palestinians from Jerusalem or the diaspora, and confine the first-stage West Bank agenda to arranging interim autonomy. These terms reflect the Palestinians' post-Gulf war vulnerability. They also thoroughly prejudice Palestinian nationalist claims. The Israeli government says Palestinian subordination improves the prospect for peace. Others feel it diminishes it.

Hard as it has been to collect the parties, the harder part starts when talks begin. The American expectation seems to be that negotiation can generate its own confidence and momentum. Territory for peace: The United Nations formula offers common liberation from a wretched status quo and common satisfaction on the things that all sides want most. For American diplomacy, this is the big one. It's a risk, and it's worth taking.

— THE WASHINGTON POST.

Old World Disorder

In George Bush's new world order, leaders are supposed to think globally and act collectively to keep the peace and protect human rights. Mr. Bush's hope applied to smaller countries as well. But in the Balkans, that nice new world order looks a lot like the nasty old world disorder. Yugoslavs talk about joining Europe but act as if they want to become part of Lebanon. As Yugoslavia begins to break up into constituent republics, incipient civil war puts human rights at risk and threatens to spill across borders.

The European Community is trying to mediate the conflict and keep the peace through collective action. Its efforts deserve support from the United States.

The conflict demonstrates the enduring power of ancient tensions and fears. Once again Croats, Slovenes, Serbs and Muslims are taking refuge in ethnic solidarity to protect their rights as individuals. Yet in doing so they violate their neighbors' rights. The result has been to intensify nationalisms that make true confederation, not to mention cooperation with Europe or aid from Americans, impossible.

Serbia's elected Communist government under Slobodan Milosevic, for example, has tried to block confederation and the freeing of markets, and has repressed the rights of the Albanian majority in Kosovo. Citing Serbian domination, secessionist Croats and Slovenes seek to break away. Meanwhile, Serbs who live in Croatia recall being slaughtered by the thousands when Croatia last asserted its independence. They look to Serbia and the Serb-dominated federal army to protect them.

The leaders of Croatia and Slovenia say they want to join Europe, but they practice a narrow nationalism that an integrating Europe is supposed to transcend. Former Communist bureaucrats, they cast themselves as brave democrats struggling to throw off the Communist yoke. But they, as much as Serbia, undermine a market-oriented federal government.

Meanwhile, Europe frets. France, Britain and the Soviet Union — each contending with secessionists of its own — prefer to preserve Yugoslavia's integrity, albeit in a loosened confederation. Germans who asserted their own right to self-determination in 1990 are loath to deny it to others. German and Austrian support for Croatia and Slovenia gives the French nightmares. All fear a civil war that looses a tide of refugees.

The European Community offers some hope. It has arranged a tenuous truce in Slovenia, a breathing space for dialogue. It now needs to separate the warring parties in Croatia and by its mediation promote peaceful devolution of power. That is a tough assignment, but if it is successful the old order could give way to the new.

— THE NEW YORK TIMES.

Horrors in Milwaukee

The stories of carnage that began to come out of Milwaukee on July 23 have been bizarre, but there is more to them than the grisly details of mass slaying. It is now clear that the social service and law enforcement mechanism for protecting the community from people like Jeffrey Dahmer, the man police say has confessed to 17 murders, had broken down in Milwaukee. What is hard to understand is why, once his propensities for a certain kind of behavior were identified, they were ignored.

Arrested years ago for a sexual offense involving a child, he was released early. His own family's poignant warnings were ignored by the justice system. His parole officer, who was supposed to visit him regularly, was excused from that task, and no one from the social service system who might have figured out what was going on ever visited him in the abattoir that was his apartment. Finally, in the most nightmarish incident of all, police ignored the pleas of neighbors and returned to Mr. Dahmer's custody a bleeding and naked 14-year-old who had escaped and run into the street. It is this multiple failure of public officials that adds, to the average citizen's revulsion about the crimes, rage at the local government's indifference.

What explains the callous behavior of the police who turned their back on a wounded child and delivered him to the hands of his killer? Did they accept the older man's explanation that the victim was drunk, when in fact he had been drugged? Were the officers completely indifferent to the beating of homosexuals — a self-description offered by Mr. Dahmer — or were they indifferent to all kinds of domestic violence? Surely all this will be re-examined thoroughly and publicly in Milwaukee.

The tragedy, though, also provides an incentive for police and social service agencies around the country to reassess policies, training programs and assumptions that, if left unchanged, might keep them from preventing similar horrors. There are not many individuals like Jeffrey Dahmer on the loose, but there are plenty of others who will commit terrible crimes if early warning signs are ignored and victims are treated so carelessly. No community should wait for a massacre on the scale of Milwaukee's before reviewing its own ability to prevent, or at least respond to, a horror of this kind.

— THE WASHINGTON POST.

Other Comment

For Anti-Missile Defense

There is a danger that smaller powers could develop nuclear bombs and carrier systems and then pressure their neighbors whenever they get into a dead-end situation. Work has to continue on defense against planned or accidental missile attacks. Defensive systems must be developed that are even more effective than the Patriot missiles used in the desert war. Otherwise the whole world could be blackmailed tomorrow.

— Welt am Sonntag (Hamburg).

Despite the Iraqi Nightmare

There is a recurring nightmare, well known to clinical psychiatry, in which the sleeper belabors an enemy, but to absolutely no effect. The more furiously the enemy is beaten, the more infuriatingly untouched he remains, grinning triumphantly at his own survival and the impotence of his assailant. One year after his disastrous invasion of Kuwait, Saddam begins to resemble that nightmare enemy.

So has nothing changed? Was the Gulf war in vain? That would be far too simple a conclusion, and the Middle East is never simple. As a consequence of the war, George Bush and James Baker have been able to wield their grand alliance round to fight a diplomatic campaign, to bring Israel to the conference table. Yitzhak Shamir accepts a conference, but so far he is still a long way from accepting the radical and dangerous transformation of Israel's embattled posture that will be needed if lasing and just peace is to follow that conference. In the process, the influence of the demagogues who claim to represent the Palestinians may have been broken and their veto overridden.

The travails of the Middle East will continue to threaten the peace of the world and to cripple countless lives for a long time to come. But at least, a year on, it is now possible to hope that a new order may come about in the Middle East — despite Saddam and his stubborn refusal to disappear.

— The Independent on Sunday (London).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la Publication: Richard D. Simmons
Chairman from 1958 to 1982: John Hay Whitney

Editor for Asia, Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx: RS56928
Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170
Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009
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S.A. au capital de 1.200 000 F. RCS Nanterre B 732031126. Commission Paritaire No. 61337
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A Real Scandal and Certain to Get Worse

By Haynes Johnson

WASHINGTON — Each day brings more disturbing revelations about the great BCCI scandal, and each day the evidence increasingly points toward one conclusion: that the United States government knew about this vast illegal conspiracy and chose to do nothing about it. No longer can there be any question about whether government officials knew and when they knew it: Clearly, they knew lots and knew it for a long time.

A fresh link in this lengthening chain came last Wednesday with the admission that the CIA has known about criminal activities by the Bank of Credit & Commerce International for at least five years. As Senator John F. Kerry, a Massachusetts Democrat, told reporters: "In 1986, the CIA knew that BCCI was a criminal enterprise and owned the First American bank, and told a number of other government agencies. There is no evidence on record that any of these agencies told the Federal Reserve what they knew, nor is there any evidence of federal law enforcement taking any action."

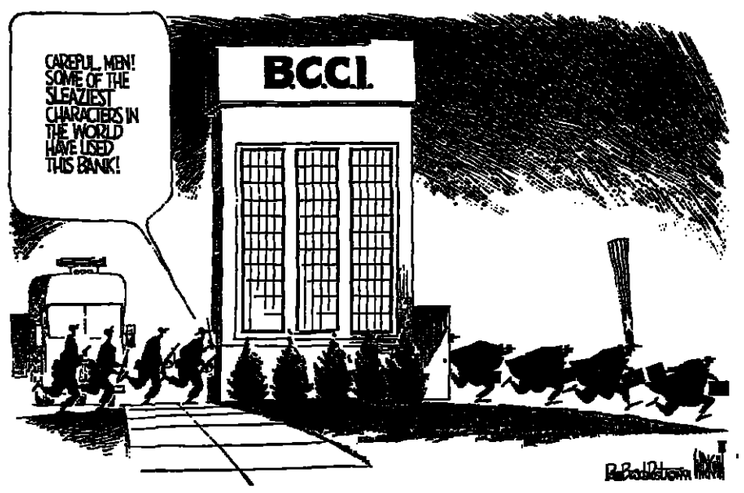
Mr. Kerry then posed the critical question: "Yet despite the fact that a number of agencies were told about the secret ownership of First American by BCCI, apparently no one did anything about it. The question is, why?"

That question embraces much more than complex worldwide operations of BCCI, the "bank of crooks and criminals." It goes to the heart of other secret activities about which high government officials claimed no knowledge — and lied to keep that knowledge from being known publicly.

Millions of dollars for secret Iran-contra arms shipments are reported to have flowed through BCCI, for instance. So did untold millions in drug money laundered by operatives of the Panamanian dictator Manuel Antonio Noriega, some of whom are in jail today. For years, General Noriega used BCCI as his personal bank to launder proceeds from narcotics trafficking.

That connection between Noriega, drugs, arms, Iran-contra and U.S. intelligence agencies is now fully documented. So is the link between the CIA and the illegal military assistance to U.S.-backed contra forces in Nicaragua.

Thanks to the recent court acknowledgment by CIA official Alan D. Fiers, the public now knows that top CIA officials were deeply involved in those operations. Mr. Fiers also has stated that, contrary to previous official denials, his superiors knew that proceeds from secret U.S. shipments to Iran were being diverted to assist the contras. Thus, the contra-resupply operation led by former White House aide Oliver L. North was not, as claimed by Reagan administration officials, a rogue operation or an off-the-shelf operation disconnected from the CIA. They were directly connected — and apparently connected to the operations of BCCI.



There are allegations, not yet proved, that the CIA used BCCI as a channel to fund some covert operations. On top of that comes the disclosure that the CIA not only knew that BCCI was a "criminal enterprise" but shared that information with other government agencies.

So, again, the key question: Why wasn't anything done about it?

Here the Noriega case is instructive.

As early as 1978, an agent of the U.S. Drug Enforcement Administration was reporting information to superiors that directly linked General Noriega and illegal narcotics trafficking. In 1983, the commanding general of the U.S. Southern Command based in Panama, General Paul Gorman, ordered an investigation into General Noriega's "connections and activities." As a result, General Gorman raised questions about General Noriega's possible involvement in laundering of drug money with U.S. Embassy officials there. In effect, they told him not to worry about General Noriega, that "Things are O.K.," he later testified.

High U.S. officials also knew about General Noriega's criminal activities — and looked the other way. A senior staff member of the National Security Council during the Reagan administration in the early 1980s, Norman Bailey, testified three years ago before the House Select Committee on Narcotics Abuse and Control:

"Clear and inconvertible evidence was, at best, ignored and, at worst, hidden, and denied by many government agencies and departments of the government of the United States in such a way as to provide cover and protection for [General Noriega's] activities, while at the same time assuring that they did the maximum damage to those very interests that the officials involved were sworn to uphold and defend."

The reason? General Noriega was a means to an end. Whatever means were necessary to accomplish U.S. intelligence goals were acceptable.

The same can be said about BCCI. This is no summer sizzler of a scandal in Washington, a convenient story to fill a no-news void. This is the real thing, and it is certain to grow worse.

The Washington Post.

Middle East Peace Is the Test of Bush's Presidency

By Roger Morris

SANTA FE, New Mexico — At the moment of the German surrender in May 1945, the supreme allied commander, Dwight Eisenhower, called for a toast. The champagne turned out to be flat. It was an omen, some thought later, of the spoiled, Cold War peace that lay ahead.

A year after Iraq's invasion of Kuwait and five months after the apparent triumph of Operation Desert Storm, the taste of victory in the Gulf remains similarly stale, if not yet bitter, for Commander in Chief George Bush. The results of this eventful year have been paradoxical at best.

Kuwait is free of Iraqi conquest yet unfree of its own feudal oppression.

U.S. arms triumphed in the Gulf, yet Europe and Japan remain dependent on Arabian oil, and the United States is hostage to its own refusal to pursue energy alternatives.

War curbed the real or imagined threats of Saddam Hussein, yet his thuggish regime survives.

The awful human toll mounts, still uncounted, no end in sight.

President Bush assembled the most impressive coalition since World War II. He balanced disparate interests, partially destroyed Iraq to hold Iran and other would-be territorial predators at bay, and even kept lines open to the Jordanians and Palestinians despite their pro-Iraqi sympathies.

Yet the Arab allies were soon riven by old factionalism, which divided them on further actions toward Iraq, thwarting Gulf security arrangements, threatening to draw the United States by default into an uneasy military protectorate over the region.

War did not reduce the vast gap between Middle East rich and poor, and volatile resentment at Western domination. Despite his tyranny, Saddam symbolized these grievances to millions by defying the status quo. Anti-American fundamentalists and radicals remain sullenly undefeated from Tehran to Algiers.

Diplomatically, Mr. Bush's war policy, whether as expedient or on principle, lent an authority to the United Nations not seen since the Korean War. Washington's invocation of international edict and collective action, however, now compels it to observe resolutions on Palestine and ultimately to confront Israel, America's client.

Israel, the silent partner in the Desert Storm coalition, was defended during the war as never before by American patronage, and for the moment is rid of a menacing enemy. But even the erratic Scud missile attacks exposed the irrelevance of the occupied territories as strategic buffers.

However sternly Mr. Bush denied "linkage," the war brought unprecedented U.S. pressure on the Israelis to settle the Palestinian issue. The result in August 1991 is an Israel more militarily secure than ever, but more politically challenged than a year ago.

□

In punishing Iraq, Desert Storm was also a showcase war, a deterrent demonstration of might to subdue spreading doubts about American power. At home it was a war to end the shame of the last one.

Yet a tortuous postwar period has raised new questions about the limits of U.S. power, the impotence of Mr. Bush's policies beyond the battlefield. The great expedition also left untouched the root economic and social condition of the United States.

No satellite reconnaissance is needed to see an America even more troubled this summer than last.

With so much of its prestige invested and a secure peace yet so unfinished, the United States has more at stake in the Middle East today than when Iraqi tanks churned into Kuwait last August. The efficacy of Washington's showcase war has come to depend on an equally exemplary peace.

The symbol and substance of that peace is an Israeli-Palestinian settlement, a task requiring U.S. leadership no less than in Desert Storm, with long-term American interests uniquely in the balance.

It is not only that Mr. Bush pledged to his Arab allies that he would turn after the fight to heal this old wound, or that a settlement would effectively disarm anti-American Arabs, although both factors are crucial to stability in the Middle East.

Just as the war displayed military power, an Israeli-Palestinian peace through American mediation will show political-diplomatic strength of incalculable value in dealing with both resurgent allies and reborn adversaries in the complex new world of the 1990s.

To succumb to the old drift is only to fortify Middle East enmities.

To abdicate initiative to the Europeans is to squander the influence and leadership won in the war.

To cede a settlement to a United Nations resolution is to reduce the United States to veto or acquiescence.

To suffer diplomatic defeat after military victory is to breed disillusion at home, where the political reaction would be unpredictable.

□

Far more imposing to Mr. Bush than Saddam Hussein and his peasant army is an obdurate Israeli regime, being led to the peace table by Secretary of State James Baker. Mr. Baker's shuttle diplomacy has produced initial Arab concessions but scant progress from Israel.

The U.S. effort is also haunted by the pro-Israel lobby, perhaps the most impregnable bloc supporting the interests of a foreign government ever assembled in American politics.

Like Desert Storm, the peace campaign will demand an all-out commitment of presidential power. But, as in the war, he does not lack means.

Internationally, an Israeli-Palestinian peace is the one cause that still unites the Gulf crisis coalition.

Moreover, just as Soviet temperance was crucial in the Gulf war, Moscow, as it has indicated in last week's summit, will be a ready ally in negotiations — both as a great power presence in future regional guarantees and as a potential arbiter.

In moving the Israelis, the White House has not only $5.6 billion in annual U.S. aid vital to Israel's economy but also the $10 billion requested by Israel for housing loan guarantees over the next five years, money necessary to cope with the flood of Soviet immigrants who are demographic insurance for Israel's long-term hold in the Middle East.

Against pro-Israeli support, much of it Democratic, the president can marshal most of his own party, new allies in the American Jewish community and, ultimately, the vast, grassroots constituency of Desert Storm.

Before his eventual preoccupation with re-election in 1992, Mr. Bush has a fleeting chance to show that America can construct as well as coerce, sustain as well as savage, that Desert Storm was not the spasm of an ebbing power but part of the statesmanship and world leadership he always claimed.

Beyond a Middle East peace lies a renewed opportunity to engage worldwide challenges of poverty and famine, education and disarmament, and in newfound security to turn to America's needy homeland.

It is altogether the test of Mr. Bush's presidency. A year after the violation of Kuwait's frontier, months after Desert Storm's guns fell silent, America's real Middle East crisis is only beginning.

The writer, author of "Richard Milhous Nixon: The Rise of an American Politician," was on the staff of the National Security Council under Presidents Lyndon Johnson and Nixon. He contributed this comment to The New York Times.

Less Oil Politics and More Oil Business

By Daniel Yergin

CAMBRIDGE, Massachusetts — Iraq's bid to dominate world petroleum supplies lies smoldering in the still burning oil fields of Kuwait. The aftermath of Baghdad's defeat could turn into a period of calm for oil producers and consumers.

For, while the Gulf crisis turned out to be about oil and geopolitics, its outcome suggests that the "business of oil" could take precedence over the "politics of oil" in the years immediately ahead.

The United States, along with some coalition partners, has assumed an explicit role in assuring the secure flow of oil, and that certainly affects the orientation of the oil exporters. OPEC, as always, reflects the balance of interests and power among its members.

Today Saudi Arabia is more dominant among the exporters than ever. Committed to moderate prices and stable supplies, it has no doubt that its fortunes depend on the Western economies; and, with a quarter of proved world oil reserves, it wants to be assured of a long-term market.

At the same time the crisis demonstrated that Saudi security is entwined with the West. But the Saudis' strategy is not much different from that of most other exporters, who have much greater respect for the power of the marketplace today than in the era of oil nationalism. They have learned that customers count, and they want to demonstrate that they are reliable suppliers. Even Iran is showing some stirrings in that direction.

The economic imperatives of the 1990s also are pushing the exporters toward a new flexibility. With the question of sovereignty over oil resources resolved in their favor, they are now preoccupied with more pragmatic and acute needs — chiefly, for capital and technology.

They need more income from oil just to keep up with their rapidly growing populations. And since they are unlikely to gain more revenue from much higher prices (because they will lose customers), they need to pump more oil. And that requires new investment in exploration and production capacity.

But how to pay for it? There is a general expectation of a capital shortage in the 1990s. So the one place oil exporters will look for investment funds is in the once banished foreign oil companies.

As a result, doors that slammed shut with nationalization in the 1970s will swing open again in the 1990s, and companies will find themselves exploring and producing in territories they never expected to see again.

In the aftermath of the Gulf crisis, attention has actually shifted away from the Middle East toward the Soviet Union, which will become a more important, if uncertain, factor in international oil. If a secure contractual basis can be established with Western oil companies, the Soviet Union may, in some degree, balance the world's dependence on the Gulf.

The biggest battle over oil in the 1990s may not even concern producing countries directly but will be the struggle within the industrial countries over energy needs and environmental values. It could turn out that America's "energy strategy" is actually embodied in initiatives such as the 1990 Clean Air Act.

Right now there is an unprecedented state and federal effort to regulate into existence a market demand for alternatives to gasoline, challenging the basic role of oil. The petroleum industry is anticipating a huge bill for new environmental investments. Perhaps oil demand, not oil supplies, will be the question of this decade.

Or will it? Oil remains a strategic commodity, and recent history shows that just when calm is taken for granted, some new surprise, mixing politics and economics, comes along and shakes all assumptions.

Even now one can see the possible elements of a surprise during the next two or three years. The world is producing oil near the limits of capacity, meaning that there is little room for error. But "error" could arise from a combination of political change and capacity limits in the Middle East, declining U.S. production, falling Soviet oil exports and rising demand resulting from economic recovery.

Then what?

The writer is president of Cambridge Energy Research Associates and author of "The Prize: The Epic Quest for Oil, Money and Power." He contributed this comment to The New York Times.

ISRAEL has about run out of options to serious discussion of giving up land it captured from Jordan in the 1967 Middle East war in return for Arab guarantees of the security of its borders.

President Bush has put Middle East peace high on his foreign policy agenda, and Secretary of State James Baker has invested more time and travel in trying to get what Mr. Bush wanted than in any other goal.

Furthermore, Israel's relations with Washington have changed. The Bush administration has been less reluctant than U.S. administrations since 1948 to insist on getting something from Israel in return for economic and military aid. Washington, for example, made it clear to Israel a month ago that it will not guarantee loans to help settle a flood of Soviet Jews unless Mr. Shamir freezes settlement activities on the West Bank. *— Los Angeles Times.*

Dead End In America: A Way Out

By Leslie H. Gelb

NEW YORK — George Bush came home from his virtuoso performance in the Soviet Union only to resume the posture of a petulant preppy. Democrats are "frustratingly negative on everything" and "We need more farsighted people like me in Congress," he said like a Professor Henry Higgins lamenting Democratic Eliza Doolittles.

There is a way for President Bush to have his wish and for Democrats to have a better chance to reclaim the White House — if they have the nerve. Let's call the idea "modified parliamentary democracy," and it can be done without changing the Constitution. The legislative process would work like this:

- The Democratic majorities in the House and Senate would pass bills as they see fit, representing the Democrats' approaches to dealing with domestic problems, and for which they would bear political responsibility. The Republican president could approve or veto.
- If the bill were vetoed, Democrats then would allow passage of the Republican bill on the same subject, for which Republicans would shoulder responsibility.

The idea is to break the political-ideological stalemate in Washington and establish greater responsibility as a basis for voter choice. Legislation could be passed with much less inter-party dickering and logrolling.

Whatever legislation became law would more clearly be labeled as Democratic or Republican. A confusing case would be where Mr. Bush supported a Democratic measure, but that would be unusual.

Problems would be addressed with either liberal or conservative answers, and voters would know better whom to blame and reward. An example would be the bill to extend unemployment benefits just passed by a large majority against the threat of presidential veto.

Mr. Bush might have the guts to buy the idea. Republicans like Newt Gingrich in the House, strong believers with policy proposals, might see it as the only opportunity for Republicans to enact their programs and gain control of Congress.

Democrats would be reluctant. The House speaker, Tom Foley, and the Senate majority leader, George Mitchell, seem to think they are being responsible by trying to compromise with Republicans. But the result *is* almost always either gridlock or mushy, minimal legislation that satisfies only back room wheeler-dealers. Most committee chairmen prefer the present system for just those reasons. More difficult, many congressional Democrats would gag at going along with Republican legislation after a veto of their own, in areas like civil rights and unemployment compensation.

To these Democrats, the only answer is that they have no hope of translating their beliefs into laws in the current system — unless they capture the White House. Their best chance of doing that is by letting Republicans pass their laws, and triumph or hang themselves.

I turn to this kind of stark and mechanical idea only because the present situation is ridiculous, and I do not see another solution.

For months now Republicans and Democrats have pressed another idea — urging Mr. Bush to shift his priorities from foreign to domestic. The hope was that if he paid more attention to what was going on in the United States, he would see the devastating problems and go to work. To which he answered on Friday that things were fine at home and "I am not going to lose interest in world peace."

One can only conclude from this masterly retort that he will continue to pay more mind to Cyprus than to Cincinnati. Maybe it is better. Every time he resurfaces on domestic issues he scares the hell out of Democrats.

Last week Mr. Foley seemed to back away from the Democrats' commitment to a bill that would provide $150 billion for highway and mass transit construction and repair. Rank-and-file Democrats could not face the prospect of Mr. Bush attacking them over the 5-cent-per-gallon tax increase needed to finance the bill.

Mr. Bush also said on Friday that "the last thing" he wanted from legislation was to "increase the deficit." But two weeks ago Richard Darman, his budget tamer, announced that the deficit would be $20 billion to $40 billion larger than predicted for the next several years due to "technical re-estimates" in tax revenues. Hardly a whimper was heard in Washington.

Allow me to grumble for the rest of us, and to search for a way out.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Summer at Home

WASHINGTON — There are two classes of devoted women who are going to stay here all summer, in preference to going away. One class has a large following, and is made up entirely of attentive and fond wives, unwilling to desert their hard-working husbands. This contingent of fashionable folks are having a merry time of it, with driving and boating parties, moonlight excursions, and all the old, as well as the new, time-killing tricks. The second sort of feminine devotedness is that embodied in the smaller circle of engaged girls, who will not go away because to do so would separate them too long from their *fiancés*.

1916: German Sacrifices

LONDON — The Germans continue to make terrible sacrifices in desperate efforts to hold Kovel. Every available man from other parts of the front has been brought to the Stokhod battlefields of the Ukraine and thrown into fierce counter-attacks, all of which, however, have collapsed, with the loss of thousands of men literally mown down by Russian gun and rifle fire.

1941: Rush on Stockings

NEW YORK — [From our New York edition:] Hosiery counters of New York City stores and shops were mobbed yesterday [Aug. 4] by women seeking to transfer the nation's dwindling stocks of silk stockings to their bureau drawers. After recovering from the first shock of the stampede, which shattered all previous sales records, retailers began rationing stockings. Most stores limited sales to from three to six pairs to a customer. After waiting for as much as an hour to buy as many pairs of full-fashioned stockings as a store would sell at one time, women were seen to rush to another counter or store to start the process all over again. The result made Christmas shopping rushes seem mild in comparaison.

Welcome to Asiana

Herald International Tribune.

BUSINESS/FINANCE

MONDAY, AUGUST 5, 1991

FLY ASIANA TO SEOUL
TAIPEI TOKYO HONG KONG BANGKOK SINGAPORE

FOREIGN EXCHANGE

Banks Are Cashing In On Currency Trading

By Jonathan Fuerbringer
New York Times Service

NEW YORK — For dozens of banks, revenue from foreign exchange operations has become much more important as other areas of their business have suffered. Banks earn fees on foreign exchange services for corporate customers and profit from daily and long-term trading, often with their own money.

The banks make money not only from trading one currency for another but also from hedging for corporations seeking to protect their earnings from the effects of currency volatility.

From the beginning of this year until July, the dollar rose 27 percent against the Deutsche mark. In the last three weeks the dollar has fallen 5 percent against the mark. In the same period the dollar has moved up sharply against most other currencies.

Bankers Trust earned 53% of its net income in the first half from foreign exchange.

The quarterly reports for the banks that are active traders in the foreign exchange market show that this volatility has been good for them. Foreign exchange revenues for the first quarter, when the dollar was most volatile, were up 27 percent to $701 million for the 15 major U.S. trading banks, according to figures compiled by Shearson Lehman Brothers.

Fee-based operations, which carry less risk, are growing. This makes revenue from the category "foreign exchange" more reliable and stable than its name might otherwise imply.

James M. Rosenberg, a banking analyst at Shearson, used this argument to raise the ratings recently of the stock of Bankers Trust Co. and J.P. Morgan & Co. Both banks actively conduct trading and hedging operations for their clients.

Mr. Rosenberg said this dependable stream of earnings, means the banks' stocks were "materially undervalued."

IN THE FIRST HALF of this year, J.P. Morgan, the parent of Morgan Guaranty Trust, had revenue from foreign exchange of $149 million, or 30 percent of net income. Bankers Trust did better, with revenue from foreign exchange of $182 million or 53 percent of net income.

"The balance has shifted a bit more toward customers," said Peter D. Hancock, the managing director for global markets at J.P. Morgan. "There is a recognition of the important niche that Morgan holds because of its customer franchise. But this is not to say that we do not have a certain appetite for risk."

With so many banks competing for business, which ones do corporations prefer? In foreign exchange, it does not hurt to be big. Of the top five banks rated as best by corporate treasurers and other customers in Euromoney magazine, four — Citicorp, Barclays Bank, National Westminster and Union Bank of Switzerland — are among the 30 largest banks in the world. Morgan Guaranty Trust, rated third, is 59th in assets worldwide.

The Euromoney list also showed that investment banks are making their mark. Goldman Sachs & Co. and Morgan Stanley & Co. are among the world's 20 most preferred currency traders.

But the credit ratings of the banks themselves also seem to play a role in why some are favored. The banks that rose in the rankings — like J.P. Morgan, which went from eighth place to third, and Union Bank of Switzerland, which went from 17th to fifth, both had credit ratings from Standard & Poor's Corp. of AAA, five levels higher than the rating for Chemical Bank, which fell from third to seventh, and Chase Manhattan, which fell from sixth to 14th in the rankings.

These higher ratings bring in customers who are concerned about the state of the banking system and want to do their longer-term transactions with banks considered healthy.

The credit-rating issue is very important to the new foreign exchange operations that will be created at the merged Chemical Bank and Manufacturers Hanover Trust.

In comments to analysts, John McGillicuddy, who will be chairman of the combined bank, made clear that the key to improving the new bank's foreign exchange revenues will be to make the financial moves necessary to raise the bank's credit rating first to an A and then to an AA.

The explosive growth of the foreign currency market in the 1980s brought new banks and scores of new traders into the business. Now they are elbowing each other for a share. At the same time, cost-cutting in the banking industry has spread even to lucrative areas like foreign exchange.

A few banks, like Hill Samuel International of Britain, have closed their New York foreign exchange operations. On the West Coast, Australia-New Zealand Banking Corp. and Barclays Bank of Britain have closed their operations.

The threat of more bank mergers, like the joining of Chemical and Manufacturers Hanover, means there could be more traders on the street soon looking for jobs.

Scandal Reaches Japanese Minister

By James Sterngold
New York Times Service

TOKYO — Finance Minister Ryutaro Hashimoto, who has been struggling to keep alive his chances for the prime ministership despite the widening financial scandals, has acknowledged that a top aide and several close friends were involved in a huge bank-loan scam.

Mr. Hashimoto appeared at a hastily convened press conference on Saturday and issued another in a series of apologies, while confirming most of the information in an article in the Mainichi newspaper detailing the affair.

The article said Mr. Hashimoto's private secretary, Toyoki Kobayashi, had acted as an intermediary in obtaining about $10 million in possibly illegal loans for three close friends of Mr. Hashimoto.

Mr. Kobayashi resigned on Saturday and Mr. Hashimoto said: "I feel my responsibility deeply." But he again resisted pressure that he resign to take responsibility for a damaging series of fraud disclosures that have dominated headlines here for weeks.

The loans for Mr. Hashimoto's friends were arranged by an executive of Fuji Bank who is reported to have engineered a nearly $2 billion fraud, involving the forging of deposit receipts that were used as collateral for loans. The bank officer was dismissed a week ago and prosecutors are investigating the case, which could become the largest bank fraud ever in Japan.

The development comes on top of another major scandal in which nearly all of Japan's largest brokerage houses have admitted to improperly compensating big companies and some politically influential clients more than $1 billion to cover stock market losses.

Mr. Hashimoto has been criticized for the lax supervision of his ministry over the securities brokers and the remarkably widespread pattern of the illicit dealings in the industry.

Initially, Finance Ministry officials tried to pass off the stock scandal as an aberration.

But increasingly, serious commentators are dismissing such self-

See JAPAN, Page 9

Microsoft: Then Junior Got Too Big

By Andrew Pollack
New York Times Service

REDMOND, Washington — Ten years ago this month, the International Business Machines Corp. introduced its first personal computer, changing the computer industry forever. Almost overlooked at the time was the company chosen to provide key software for the machine, head by a programmer young enough to be the son of many of the IBM executives.

No one is overlooking the results of that decision today. Seizing on that initial opportunity to provide the MS-DOS operating system for IBM personal computers and the clones that followed, the Microsoft Corp. has grown into the world's largest software company, with revenues of $1.8 billion for the fiscal year ended in June. Its reach expands into nearly every nook and cranny of the software business.

With a market capitalization of $12.8 billion, Microsoft is also one of the 50 most valuable companies in the nation, according to a Business Week ranking, ahead of all computer companies except IBM and Hewlett-Packard and in the company of Ford Motor, Dow Chemical and other industrial giants with many times its revenues.

The programmer, William H. Gates, now 35, owns enough of Microsoft to make him worth $4 billion.

But it is getting lonely at the top. On the way to its current dominance, Microsoft and the intensely competitive Mr. Gates have angered many rivals and even some former partners, including IBM.

Now, almost everyone in the industry is hatching plans to try to derail Microsoft's runaway growth and its control over the industry's direction. And the resulting massive realignment of forces that is reshaping the industry could pose a severe challenge to Microsoft's hegemony.

"Our belief is that Microsoft has peaked," said George Colony, president of Forrester Research, a market research firm in Cam-

On the way to its current dominance, Microsoft and its intensely competitive William H. Gates have angered many rivals.

bridge, Massachusetts. "They have enough hubris now to believe they don't need IBM, that they don't need anybody. I think Microsoft will be a big struggling company in two years."

Microsoft's relationship with its former mentor, IBM, indeed is in a shambles. After a falling out over the joint development of a successor to MS-DOS, IBM is now competing head-to-head with the software company in what promises to be one of the nastiest personal computer industry battles of the 1990s.

Each company is already trashing the other's product in public. Under the old rubric that "My enemy's enemy is my friend," IBM has even joined forces with its own former rival, Apple Computer Inc., to develop software that will compete with Microsoft's offerings.

IBM has also formed smaller alliances with other software companies including Lotus Development and Borland International.

Novell Inc., which so far has bested Microsoft in software for controlling networks of personal computers, recently strengthened its hand by buying Digital Research Inc., which makes a program that competes with MS-DOS.

And the Federal Trade Commission is investigating Microsoft's practices, spurred in part by complaints from competitors that Microsoft's dominance in operating systems gives it unfair advantages in other categories.

The key threat to Microsoft, however, is not other companies but a big technology change.

With MS-DOS and its newer product called Windows, Microsoft dominates the market for software that controls personal computers.

But personal computers are increasingly being tied together in networks and with larger machines called servers to handle computing tasks now handled by centralized mainframe computers.

Not only has Microsoft had little experience with networked systems, but such an interconnected computing world is likely to require cooperation among companies. Some say Microsoft will have a tough time going it alone, especially against IBM, which wields considerable influence with corporate data processing departments.

"No one really likes to do business with

See MICROSOFT, Page 9

New York's BCCI Prosecution Raises Questions

By Steve Lohr
New York Times Service

NEW YORK — Armed with last week's indictment of the Bank of Credit & Commerce International for what he calls "the largest bank fraud in world financial history," District Attorney Robert M. Morgenthau of Manhattan must now set about chasing a motley, far-flung assortment of defendants: a 68-year-old invalid in Karachi, another Pakistani businessman ensconced in a $4,200-a-month poolside apartment in Abu Dhabi, and five related banking units in the tax-and-regulatory havens of Luxembourg and the Cayman Islands.

Criminal lawyers are divided about whether the indictment in Manhattan was mainly a whistle-blowing gesture or a genuine case that can be brought to trial.

[In Washington, Attorney General Dick Thornburgh said he expected the federal indictments in the BCCI case within the next six weeks. The allegations will involve money laundering and violation of bank regulatory laws, he said in a broadcast interview. Mr. Thornburgh said four federal grand juries were hearing evidence in matters related to BCCI.

[The attorney general also said he could "categorically deny" recent suggestions by a state prosecutor in New York and a U.S. senator that the U.S. Justice Department had sought to impede their separate investigations of BCCI. He said any hint of official corruption in the case would be vigorously pursued, but he declined to comment on whether federal prosecutors are gathering evidence against any public officials in the case.]

Mr. Morgenthau's pursuit of the case raises issues that range from the legal jurisdiction of a New York prosecutor going after a bank whose offices, misdeeds and depositors were mostly beyond America's borders to the diplomatic sensitivity of trying to extradite foreigners who may have enormous influence in their home countries.

And the Manhattan indictment is only one of several legal actions that have been filed, both in the United States and abroad.

The Federal Reserve Board started an enforcement proceeding last week. It is seeking to collect $200 million in fines and to bar permanently nine people — Pakistani former executives and Arab customers — from any connection to banking in the United States because they secretly controlled three American banks: First American Bankshares Inc., Washington's largest banking company; the National Bank of Georgia, which was purchased from Bert Lance, a budget director in the Carter administration; and the failed Centrust Savings Bank of Miami.

The chairman of First American Bankshares, Clark M. Clifford, and his protégé, Robert A. Altman, have said they did not know of BCCI's clandestine control of First American.

More litigation seems a certainty. Mr. Morgenthau said that last week's indictment covers only about a quarter of the bank's crimes.

American courts have long permitted prosecutors to reach beyond the borders of the United States. As far back as 1945, Judge Learned Hand applied an "effects test" to justify the extraterritorial reach of American law in an antitrust case in which the conspirators were outside the United States.

The people apprehended, the court ruled, did not have to be American citizens as long as their

See CASE, Page 9

At BCCI, A Name Change

Emirates Unit May Take Over Gulf Operations

Compiled by Our Staff From Dispatches

DUBAI — The newly named Union National Bank will try to take over some regional operations of its parent, the Bank of Credit & Commerce International, Gulf bankers said Sunday.

BCCI's subsidiary in the United Arab Emirates, BCC Emirates, changed its name to Union National Bank over the weekend in a symbolic gesture to disassociate itself from BCCI, whose operations were closed by central banks for global fraud and corruption.

The name change in the U.A.E. operation was ordered by Crown Prince Khalifa ibn Zayed al Nahayan of Abu Dhabi, the official U.A.E. news agency said.

Bangladesh will ask the subsidiary, which is based in Abu Dhabi, to take over BCCI branches in that country, Foreign Secretary Adul Ahsan of Bangladesh said in a report published Sunday.

Thousands of BCCI depositors in Dhaka have been demanding compensation for their money locked in Bangladesh branches of BCCI since the Bank of England led a worldwide closure of the bank's operations on July 5.

Abu Dhabi's ruling Nahayan family, and the emirate's main financial institutions control 77.4 percent of BCCI Holdings.

Abu Dhabi officials declined Sunday to comment on a report in London on Saturday that Price Waterhouse, which audited BCCI, had told the Abu Dhabi shareholders of widespread fraud at the bank in April 1990.

The government of Abu Dhabi had been "fully briefed" on the huge fraud being conducted within the bank before it was reported to banking regulators earlier this year, the Financial Times reported.

Three newspapers Saturday published details of the Price Waterhouse audit that prompted the Bank of England to move against the bank.

The audit indicated that seven

See BCCI, Page 9

Failed U.S. Insurers Had Top Ratings

By Eric N. Berg
New York Times Service

CHICAGO — The giant insurers taken over by regulators this year — Executive Life, First Capital and Mutual Benefit — all received high marks from rating agencies not long before they were seized.

Now, ratings companies are scrambling to make their evaluations more accurate, while a growing number of consumers, insurance agents, regulators and lawmakers say drastic changes are needed.

"If the rating agencies were getting constant information from the insurance companies, then they have a lot to explain in terms of how they missed the boat on Mutual Benefit, Executive Life and First Capital," Senator Howard M. Metzenbaum, Democrat of Ohio, said.

The leading ratings companies — A.M. Best, Moody's Investors Service and Standard & Poor's — dismiss much of the criticism as mere hindsight.

But they have, in effect, acknowledged flaws in their methods: Best announced on Thursday that it would add investor confidence to the categories it analyzes, and Standard & Poor's and Moody's said they would give greater weight to that criterion.

The executives at the companies acknowledge that they have always paid closer attention to insurance companies' assets, rather than their liabilities. They also say they have rarely if ever included in their analyses the large withdrawals by investors that have led regulators to seize several companies.

But the many critics have other complaints. They note that the ratings companies may have a conflict of interest, because they sell their services to the insurance companies.

If not to please the insurers, these critics ask, why would the ratings system be structured in such a way that a company can have its rating reduced five or six times and still have an A rating?

The insurance companies take the ratings seriously, and those with top ratings mention them in their advertisements.

And consumers also take the ratings seriously. Many people frequently check them to see whether their pension money, savings plans or life insurance policies are safe. Now, the problems at big insurers have affected more than a million policyholders, through either reductions in retirement benefits or the inability to gain access to their savings.

Dr. J. Steve Brodie, a retired physician in Los Angeles, said he bought more than $1 million in life insurance from Executive Life largely on the strength of an A+ rating from A.M. Best. He said he would have cashed in his policy months before Executive Life's failure if Best had cut its rating earlier.

"Virtually right up until the end I was getting communication from my agent and from Executive Life that the company was still rated tops," said Dr. Brodie.

Stephen Brobeck, executive director of the Consumer Federation of America, commented: "What we tell people is that the insurance ratings are extremely generous. We're telling people that if they have substantial assets tied up with a life insurer they should consider shifting if from any company not rated tops."

Before they were taken over, the insurers that failed recently had ratings at or near the top of the rating agencies' safety scales. Mutual Benefit, for example, enjoyed A.M. Best's top rating of A+ until July 3, six days before it was taken over. Moody's had Mutual Benefit listed as an A company, and so did S&P.

The rating agencies' analysis of First Capital was no more cautionary. By last spring, First Capital's sizable investment in speculative-grade junk bonds was well known in insurance circles, and pension managers had begun to avoid the company.

Yet it was not until May 7, a week before it was taken over by the California Insurance Commissioner, that First Capital lost its investment-grade rating of BBB+ from S&P. First Capital was rated A-, or excellent, by Best until the day of the takeover. Moody's had not rated it.

"A.M. Best really has not been paying attention to potential troubles in the last five years," said Adrian Gill, a New York-based industry consultant. "They have been sort of asleep."

Paul Wish, a Best spokesman, said the company's ratings system had been based on the premise that a company would continue to operate and did not address the question of whether a company could withstand a run.

Last week, Best announced that it would factor into its ratings an assessment of insurers' vulnerability to runs.

In its announcement, Best said, "This factor addresses the unprecedented environment caused by the combined effects of a recession, a national depressed real estate market, a decline in consumer confidence in financial institutions and new legal pressures on pension managers."

CURRENCY RATES

Cross Rates

Aug. 2

	$	£	DM	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9445	3.3345	1.7293	0.3315	0.1508 *	—	5.473 *	1.2105	1.4333 *	1.7065	1.881 *
Brussels	36.31	68.54	29.596	6.058	2.756 *	18.269	—	22.6125	0.2639	31.68	32.898*
Frankfurt	1.7653	2.94	—	0.2942	0.1338 *	0.8872	4.855 *	1.1467	1.2815 *	1.5333	1.577 *
London (a)	1.68	—	2.5997	9.192	2.195.50	2.3714	60.57	2.5607	221.885	1.9414	183.59
Madrid	118.487	184.016	63.599	18.415	8.375 *	55.529	3.8393	71.791	80.288 *	96.851	—
Milan	1,228.10	2,194.30	749.53	219.84	—	663.59	34.59	852.15	9.577	1,146.80	11.543
New York (b)	—	1.6895 m	1.7405	5.9795	1,301.50	1.9618	35.826	1.5235	137.20	1.1882	109.28
Paris	6.804	9.9945	3.3998	—	0.4549 *	3.8156	0.1651	3.898	4.3576 *	5.2911	5.4859*
Tokyo	127.45	220.16	76.14	22.09	0.1047	69.24	3.7959	89.54	—	119.57	1.2529
Toronto	1.1905	1.9434	0.6687	0.1942	0.084 *	0.5861	3.206 *	0.7599	0.8388 *	—	1.055 *
Zurich	1.514	2.5837	0.871	0.2563	0.1144 *	0.774	4.2292 *	—	1.1824 *	1.3182	1.3724*
1 ECU	1.1437	0.6981	2.8521	6.976	1,533.80	2.3134	42.266	1.7894	168.181	1.2307	128.46
1 SDR	1.228	0.7972	2.3462	7.173	1,752.83	2.4422	48.3443	2.0457	192.593	1.535	146.721

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates of 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Arven. austral	9950.0	Greek drac.	192.65	Mex. peso	3034.57	S. Afr. rand	2.875
Austral. $	1.387	Hong Kong $	7.7643	N. Zealand $	1.7513	Soviet ruble*	0.5994
Austr. schill.	12.36	India rupee	25.80	Norw. krone	6.892	Swed. krone	6.4825
Brazil cruz.	349.08	Indo. rupiah	1955.03	Phil. peso	27.00	Taiwan $	26.57
Chinese yuan*	5.3471	Irish £	0.6418	Port. escudo	151.15	Thai baht	25.68
Danish krone	6.635	Israeli shek.	2.3867	Saudi riyal	3.75	Turkish lira	4365.00
Egypt. pound	3.2977	Kuwaiti dinar	0.2917	Sing. $	1.743	UAE dirham	3.672
Fin. markka	4.23	Malay. ring.	2.7875	S. Kor. won	726.70	Venez. bolív.	59.70

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6574	1.6506	1.6444	Canadian dollar	1.1527	1.1551	1.1579
Deutsche mark	1.7708	1.7758	1.7808	Japanese yen	137.82	137.59	138.11
Swiss franc	1.5423	1.5449	1.5471				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Aug. 2	July 26	Chge
DJ Indus.	3,006.24	2,972.50	+ 1.14 %
DJ Util.	202.78	202.97	— 0.09 %
DJ Trans.	1,223.20	1,206.10	+ 1.42 %
S & P 100	369.21	364.00	+ 1.43 %
S & P 500	387.16	380.93	+ 1.64 %
S & P Ind	461.66	454.54	+ 1.57 %
NYSE Co	212.03	208.72	+ 1.58 %
Britain			
FTSE 100	2,651.70	2,639.30	+ 0.48 %
FT 30	2,013.80	2,002.80	+ 0.55 %
Japan			
Nikkei 225	24,028.	23,584.	+ 1.88 %
West Germany			
DAX	1,615.36	1,605.64	+ 0.61 %
Hong Kong			
Hang Seng	4,839.46	4,831.29	+ 0.70 %
World			
MSCIP	506.30	498.30	+ 1.61 %

World Index From Morgan Stanley Capital Int'l

Money Rates

United States	Aug. 2	July 26
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds rate	5⅝	5 11/16
Japan		
Discount	5½	5½
Call money	7½	7 11/32
3-month interbank	N.Q.	N.Q.
West Germany		
Lombard	9.00	9.00
Call money	9.00	8.85
3-month interbank	9.20	9.15
Britain		
Bank base rate	11.00	11.00
Call money	10⅞	11⅛
3-month interbank	11.00	11⅛
Gold	Aug. 2	July 26	Chge
London p.m. fix $	357.80	364.10	— 1.73 %

At PIA, our air hostesses have an unfair advantage. They begin their training years ahead of others. Because in Pakistan, all girls are schooled at home in the art of hospitality, so showing courtesy to guests is their second nature. They develop qualities which could never be learnt from training manuals, not even ours. Which is why, when you fly with PIA, you're flying with extraordinary people.

PIA
Pakistan International
Great people to fly with

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 323 11 30. Prices may vary according to market conditions and other factors. Aug. 2

Dollar Straights

Governments/ Supranationals

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
AIDC	9¾	96	99¾	8.69	+79
Asian Dev Bk	11⅞	97	108	7.73	+67
Asian Dev Bk	8	96	96¼	8.77	+79
Asian Dev Bk	9½	99	104½	9.02	
Austra Wheat	9½	93	103¼	7.98	+80
Australia	11½	95	110	8.54	+85
Australia	11	95	108	8.43	+86
Australia	11¾	98	112¾	9.12	+90
Austri Control	8½	93	101⅞	7.20	+39
Austri Control	9¼	94	103¾	7.73	+42
Austri Control	12	94	110¾	8.14	+71
Austri Control	9	95	103¼	8.00	+35
Austri Control	8¼	96	100¼	8.18	+26
Austri Control	8½	01	98¾	8.70	+36
Austri Postspa	10½	97	105¼	8.07	+77
Austria	10	98	105	8.99	+74
Austria	11¼	95	108¾	8.21	+75
Austria	9⅞	93	103¼	7.36	+54
Austria	9⅞	94	202¾	8.04	+71
Austria	9¼	95	102¼	8.66	+75
Austria	7¾	96	96¾	8.68	+73
Austria	8	93	98½	8.71	+37
Austria	9½	96	102¼	9.14	+74
BC Hydro	11¾	98	107½	7.84	+62
BFCE	7¾	93	98¾	7.32	+65
BFCE	8¾	94	101⅞	7.68	+34
BFCE	9¼	95	103¾	8.16	+44
BFCE	9¾	95	104¾	8.58	+77
BFCE	7⅞	96	98½	8.23	+29
BFCE	7¾	97	98¾	8.11	+9
Belgium	8½	93	101⅞	7.20	+41
Belgium 2	8¼	93	101⅞	7.27	+38
Belgium	9⅝	98	104⅝	8.64	+45
Belgium	8⅝	96	100⅝	8.48	+44
Belgium	9¼	99	101	9.03	+72
CAECL	9⅝	95	103	8.47	+80
CBA	10	93	104¼	7.82	+78
CBA	9¼	93	102¼	7.77	+78
CCCE	12⅝	96	110½	8.89	+145
CCCE	9¼	95	103⅞	7.96	+46
CEPME	7¾	96	96	8.80	+74
CNE	17⅞	95	110¼	8.22	+73
CNT	8½	97	101½	7.37	+59
Canada Treas	10	95	106¼	8.07	+34
Canada Treas	9	96	103¾	8.00	+19
Council Europe	7⅜	93	100¼	7.12	+27
Council Europe	8¼	94	101½	8.17	+63
Council Europe	9⅛	96	103⅞	8.27	+47
Council Europe	8	96	99⅜	8.16	+32
Cr Foncier	7½	94	100	7.47	+36
Cr Foncier	9¼	95	103¾	8.14	+45
Cr Natl	8¼	93	101½	7.21	+37
Cr Natl	7¾	94	100.025	7.72	+46
Danish Exp Fin	10⅝	95	105	9.14	+141

Banks & Finance

Global Corporates

Third World

Dollar Zeros

Floating Rate Notes

Deutsche Marks

Pounds

Dollars

Ecus

MUTUAL FUNDS

Figures as of close of trading Friday, Aug. 2.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

Fund	Bid	Ask
AAL Mutual:		
CaGr p	12.76	13.40
Inco p	9.78	10.27
MuBd p	10.18	10.69
AARP Invst:		
CaGr	28.86	NL
GinIM unavail		
GthInc	26.07	NL
HQ Bd unavail		
TxFBd	16.99	NL

NL— No initial sales load. f— Previous day's quote. r— Redemption charge may apply. x— Ex dividend.

New International Bond Issues

Compiled by Andrew S. Register

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Australia & New Zealand Banking Group	$200	1994	¼	100	—	Over 3-month Libor. Reoffered at 99.85. Noncallable. Fees 0.225%. Denominations $10,000. Increased from $150 million. (Merrill Lynch Int'l.)
Collateralized Mortgage Securities (No. 12)	£55	2028	½	100	—	Over 3-month Libor until 2001 and 1.00 over thereafter. Reoffered at 99.81. Average life 3.3 years. Fees 0.44%. Denominations £10,000. (Goldman Sachs Int'l.)
HMC Mortgage Notes 8	£200	2034	0.45	100	—	Over 3-month Libor until 1998 and 0.70 over thereafter. Reoffered at 99.835. Average life 4.47 years. Fees 0.365%. (Credit Suisse First Boston.)
Woolwich Building Society	£75	1993	⅛	100	—	Over 3-month Libor. Reoffered at 99.87. Noncallable. Fungible with outstanding issue, raising total to £275 million. Fees not disclosed. Denominations £10,000. (UBS Phillips & Drew.)
Fokker	DM150	1998	¼	100	—	Over 6-month Libor. Redeemable at par from 1993. Fees 0.25%. (Dresdner Bank.)
Hambros Int'l Finance	DM70	2001	0.35	100	—	Over 6-month Libor until 1996 and ½ over thereafter. Callable at par in 1996. Fees 0.50%. (Norddeutsche Landesbank.)
Fixed-Coupons						
Quebec Province	$500	2001	9⅝	101.47	100.58	Reoffered at 99.845. Noncallable. Fees 2%. (Credit Suisse First Boston.)
Dresdner Int'l Finance	DM400	1995	9	101.55	—	Noncallable. Fees 1⅜%. (Dresdner Bank.)
Fiat Finance & Trade	DM200	1993	9¼	101.05	—	Noncallable. Fees not disclosed. (Deutsche Bank.)
Fiat Finance & Trade	DM200	1996	9	101½	—	Noncallable. Fees 2%. (Deutsche Bank.)
Merrill Lynch & Co.	DM180	1994	9¼	101.45	—	Noncallable. Fees 1½%. Increased from 150 million marks. (Merrill Lynch Bank.)
Union Bank of Finland	DM200	1993	9¼	101.10	—	Noncallable. Fees 1¼%. (Deutsche Bank.)
World Bank	DM300	2001	8¾	101⅝	—	First callable at 101¾ in 1993. Fees 1⅞%. Also 3 million warrants, priced at 2.95 marks each, exercisable at 102 by lots of 50, in Aug. 1993, 1994 and 1995, into noncallable 8¾% bonds due 2001. (Commerzbank.)
European Economic Community	ECU435	1998	9¼	101⅛	—	Reoffered at 99.55. Noncallable. Fungible with outstanding issue, raising total to 935 million Ecus. Fees 1⅞%. (Paribas Capital Markets Group.)
Société Nationale des Chemins de Fer Français	ECU40	2001	9⅝	100.71	—	Noncallable. Fungible with outstanding issue, raising total to 340 million Ecus. Fees 0.12%. (Paribas Capital Markets Group.)
Nordic Investment Bank	SK500	1998	11	101⅞	—	Reoffered at 100.30. Noncallable. Fees 1⅞%. (Nomura Int'l.)
IBM Canada	C$150	1996	10	100.425	98.75	Reoffered at 98.80. Noncallable. Fees 1⅞%. (Wood Gundy.)
Barclays Australia Int'l Finance	Aus$75	1994	11½	101⅝	100.23	Noncallable. Fees 1½%. (Barclays de Zoete Wedd.)
BP American	Aus$100	1994	11⅛	101.27	99.82	Noncallable. Fees 1½%. (Merrill Lynch Int'l.)
National Westminster Australia Bank	Aus$75	1995	11⅝	101⅝	99.93	Noncallable. Fees 1¾%. (NatWest Capital Markets.)
Equity-Linked						
Kumagai Gumi	$360	1995	4⅝	100	101.25	Noncallable. Each $5000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Aug. 5. (Daiwa Europe.)
Meitec	$110	1995	4½	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 4,972 yen per share and at 138.90 yen per dollar. Fees 2¼%. (Nikko Securities Europe.)
Nippon Sheet Glass	$200	1995	4⅝	100	101.25	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 589 yen per share and at 138.20 yen per dollar. Fees 2¼%. (Daiwa Europe.)
Nippon Stainless Steel	$100	1995	4⅝	100	101.38	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Aug. 5. (Yamaichi Int'l.)
Ohbayashi	$360	1995	4¾	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,007 yen per share and at 138.90 yen per dollar. Fees 2¼%. (Nomura Int'l.)
Senko	$100	1995	4⅝	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Aug. 6. (Daiwa Europe.)
Star Micronics	$150	1998	4	100	—	Semiannually. Redeemable at 100% in 1995. Convertible into company's shares at 3,034 yen per share and at 139.20 yen per dollar. Fees 2½%. (Daiwa Europe.)
Topy Industries	$100	1995	4⅝	100	—	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Aug. 6. (Nikko Securities Europe.)
Daito Seiki	DM40	1995	5⅝	100	99.25	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Aug. 6. (Deutsche Bank.)
Marutomi Group Co.	DM70	1995	5⅝	100	101.63	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at 7,944 yen per share and at 79.40 yen per mark. Fees 2¼%. (Nomura Bank Deutschland.)
Toyo Linoleum	DM80	1995	5⅝	100	99.13	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Aug. 5. (Nomura Bank Deutschland.)

Treasury Refunding Awaited

Price Concessions Expected Before Issue of 3-Year Notes

Reuters

NEW YORK — With the quarterly *refunding scheduled to get under* way Tuesday, the U.S. Treasury market will spend the first part of the week deciding how to price the new issues, economists and traders said.

The task will be complicated,

U.S. CREDIT MARKETS

some said, by last week's employment report, which showed a drop in nonfarm payrolls of 51,000 in July as well as weakness in data on wages and hours.

"The issue is at what levels will the paper be *attractive?" said* Jan Hurley, an economist at Chase Securities Inc.

Ms. Hurley said she looks for the market to make some price concessions before the auctions, which include $14 billion in three-year notes Tuesday, followed by $12 billion in 10-year notes Wednesday and $12 billion in 30-year paper Thursday.

She said that short-term issues were a bit overpriced relative to the rest of the yield curve. "At the short end, we have priced ourselves at least half way to a Federal Reserve ease."

Given the overpriced condition on the short maturities and that the first *leg* of the refunding is the three-year note sale, that auction will give the market a sense of how *much it has to drop in price to* move the new paper. Ms. Hurley said.

She estimated the price of the new three-year notes might have to *fall five basis points, or hundredths* of a percentage point, before the sale Tuesday.

Liz Capo, a market analyst at Stone & McCarthy Research Associates Inc., said Friday's rally, because it was sparked by weakness in a key economic report, should not be an obstacle to a successful refunding.

But, she said, the big jump in Treasury prices means investors will have to accept lower coupons and hope prices will move higher so that they can make up the difference in the secondary market. Investors typically like higher coupon paper because a bigger coupon means bigger interest payments.

A trading manager at a primary dealer said he looks for some movement back in price before the auctions. But he said his forecast of a five-to-10 basis point correction to 8.30 on the long bond is "perfectly acceptable" and keeps Friday's rally intact.

On Friday, three-year notes in *when-issued trading ended* at 7.01 percent, 10-year notes at 8.036 percent, and 30-year notes at 8.23 percent.

Doug Schindewolf, an economist at Smith Barney, Harris Upham & Co., said those levels should translate into an 8 percent coupon on the 10-year paper, an 8.25 percent coupon on the bonds and a 7 percent coupon on the three-year notes.

Economists and traders said the economic data due out early in the week is unlikely to have much effect on prices or activity in the *Treasury market.*

The market gets data Monday on late July car sales, consumer credit data for June on Wednesday and jobless claims for the week to July *27 on Thursday.*

The July producer price index will be released on Friday and is expected to be favorable for the market.

Kuwait Lifts Restrictions on Cash

Compiled by Our Staff From Dispatches

KUWAIT — Kuwait's Central Bank lifted all restrictions on currency withdrawals and transfers and depositors showed confidence in the economy by choosing not to dump dinars for dollars.

The Central Bank governor, *Sheikh Salem* as Sabah, said Saturday that depositors and companies were free to withdraw or transfer abroad whatever amount they wanted.

Kuwait has six commercial banks, three specialized banks for industry and real estate and an Islamic bank. There is one foreign-controlled institution, the Bank of Bahrain & *Kuwait.*

A run on the banks had been feared, in part because thousands of Palestinians who worked in Kuwait before the war are in the pro*cess of leaving* the country.

Most have lost government jobs or had residence permits canceled because Kuwait was angered at the support of the Palestine Liberation Organization *for Iraq.*

But Sheikh Salem said in a statement: "I am now witnessing clearer confidence in our banking system. Whoever wants to withdraw, let *them withdraw. They are free to do* so. We have gone back to our normal situation."

The Central Bank, fearing a massive capital flight, imposed a monthly ceiling of 4,000 dinars ($13,500) on all withdrawals and foreign currency transfers following the liberation of the emirate from Iraqi occupation on February 28.

It later raised the limit to 6,000 dinars.

There had been fears that clients would swamp the banks on Aug. 3,

> **A run on the dollar had been feared, but business was normal.**

dumping dinars for dollars, the favorite foreign currency.

But bankers reported business as normal, saying they had been surprised by the absence of substantial *demand for cash or foreign* currency now that all restrictions had been lifted.

Small lines formed in banks with clients both withdrawing and depositing *money. Cashiers said the* level of withdrawals on Saturday, as in previous days, had exceeded that of deposits.

"We expected a big rush for cash today but it did not happen," Mohamed Yahya, General Manager of Kuwait Commerical Bank, said.

Clients said they felt safe with deposits in local banks that offered better interest rates than dollar accounts abroad. Withdrawals were *to to meet immediate needs.*

Some of the banks raised interest rates by half a point to 9 percent on Saturday to discourage transfers abroad.

Since the liberation, the bank has pumped about $1 billion into the banking system *to prop up the dinar.* *(Reuters, AFP, AP)*

Iraq Returns Gold

Iraq will start returning Kuwaiti gold on Monday which it looted during its occupation of the emirate, Finance Minister Nasser Abdulla Rodhan said, Reuters reported.

Speaking after a cabinet meeting on Sunday, Mr. Rodhan said representatives of the Kuwaiti central bank were already *in the Saudi* Arabian town of Arar to start taking delivery of the gold bars and the process would take several days.

The Central Bank governor, Sheikh Salem, *said last month that* Iraq would return 3,216 gold bars worth between $600 and $700 million.

Investors Rush to Eastern Europe

Agence France-Presse

GENEVA — Foreign investment in the changing economies of Eastern Europe continued to grow during the first quarter.

A total of 19,000 joint ventures were set up in the region at the end of March, a United Nations report showed Saturday.

The number, which compared with 13,500 ventures at the end of 1990, showed an increase of around 50 percent, according to the report by the UN Economic Commission for Europe.

Growth in foreign investment had been "particularly dynamic" in Czechoslovakia, surging by 80 percent in the first quarter of the year.

In the Soviet Union, however, growth continued at a slower rate.

The number of joint ventures in the Soviet Union advanced from 3,000 to just 3,700, the report showed.

Hungary was attracting the greatest attention, with a *total of 7,000 foreign investments, while* Poland was also progressing well with 3,750 compared with 2,799 three months earlier and only 918 at the same period of 1990.

However, the commission noted that only a small number of these joint ventures were operational so far.

In Czechoslovakia, the proportion at the end of March was less than 10 percent.

The report said the main obstacle encountered by Western firms investing in the region was a *shortage of qualified* managerial staff.

MICROSOFT: *For Its Rivals, Junior Got Too Big*

(Continued from first finance page)

Microsoft," said Philippe Kahn, the founder and president of Borland, who predicts that the falling out with IBM will hurt the software company.

"He didn't need to declare war on IBM," Mr. Kahn said, referring to Mr. Gates. "That will turn out *five* years from now to look like his biggest mistake. That's ego."

To be sure, there is an element of wishful thinking and just plain jealousy in predictions of Microsoft's *downfall. For all* their moaning that Microsoft was lucky to be anointed by IBM, or that the company abuses its control over the key operating software, rivals also acknowledge that Microsoft is a superb competitor and has executed its strategy with precision.

Moreover, most of the threats to Microsoft from new alliances might take two or more years to materialize. And in the next two years at least, Microsoft stands to continue its rapid growth merely by selling its new Windows product to as many as possible of the 70 million existing users of MS-DOS PCs.

"Until anyone sees evidence of a broadside hit, it's just a war of words in my opinion," said David Readerman, a software analyst at Shearson Lehman Brothers. "The product momentum is very much on Microsoft's side."

And what momentum it is. Net income has been growing at an average of 64 percent a year over the last five years and revenues at 56 percent. *With 8,200 employees,* Microsoft has been hiring 10 new people a day and its campus here, outside Seattle, is in a permanent state of new construction.

IBM's need for Apple and other partners stems in large part from the void left by Microsoft. IBM and Microsoft initially worked together on OS/2, which was supposed to be a successor to the MS-DOS operating system, with more sophisticated features. But now Microsoft is backing *its own* program, known as Windows, which it began developing long before it started work on OS/2.

For IBM, OS/2 is crucial to tying personal computers to its larger machines. It also needs its own operating system to help differentiate its personal computers from the legions of cheaper clones that have severely cut its market share.

But clearly, emotions are playing a role as well. Industry executives say IBM feels betrayed, like a father whose son has turned against him. Mr. Gates and IBM executives have not spoken for months.

JAPAN: *Scandals Are Widening*

(Continued from first finance page)

serving explanations and are describing the problems as symptoms of a deeply ingrained *business culture* tolerated by the government and that relies on hidden agreements that favor the rich and powerful.

The latest disclosures sent shock waves through the governing Liberal Democratic Party, whose credibility has suffered.

The latest reports could even damage the prestige of *Nicholas F.* Brady, the U.S. Treasury secretary. Mr. Brady has tried to bolster Mr. Hashimoto's increasingly precarious position, saying in an interview a week ago that Mr. Hashimoto had been extremely cooperative in providing billions of dollars of financing to the United States during the Gulf war.

Newspapers have started to admit that the beating the governing party and Japan's business reputation are taking in the wave of scandals could leave Mr. Hashimoto no *choice but to resign.*

BCCI: *Subsidiary Takes New Name to Seek Part of Bank's Gulf Operations*

(Continued from first finance page)

Arab business executives and companies received as much as $47 million for acting as fronts for the illegal takeover of First American Bankshares Inc. in Washington.

The *audit* — details of which were reported in the Daily Telegraph, the Financial Times and the Independent — reported that BCCI paid the seven to act as phony stockholders to *mask its control* of First American Bankshares.

The Federal Reserve had previously *listed the seven* as Kamal Adham, Faisal Saud al Fulaij, A.R. Khalil, Sayed Jawhary, Mashrig Holding Co., Humaid ibn Rashid al Naomi and Ali Mohammad Shorafa.

Lawyers for the majority owners and the court-appointed liquidator were in Abu Dhabi last week to discuss *what* parts of the bank might be worth saving, and further compensation for depositors, banking sources said.

The Union National Bank chairman, Sheikh Nahayan ibn Mubarak al Nahayan, said last week that a team of auditors was studying taking over *BCCI's operations* in Pakistan, the home of Agha Hasan Abedi, the founder of BCCI, and most of its senior management.

U.A.E. bankers are divided over whether Union National Bank could also save some of BCCI's domestic operations.

BCC Emirates was founded in 1983 as a domestic bank with a network of 17 branches. BCCI as a foreign bank was only allowed eight branches.

When *international monetary* authorities led by the Bank of England shut the doors of BCCI on July 5, the U.A.E. central bank quickly announced that BCC Emir*ates would not be affected and was* financially sound.

The bank's 1990 annual report, *released ahead of schedule,* showed a 53 million dirham ($14.5 million dollar) profit for the year, and that BCC Emirates had slashed its previously high exposure to its parent.

Sheikh Nahayan said BCC Emirates could have as little as $10 million in overall exposure to BCCI.

In a separate development in New York late on Friday, the company appointed to liquidate BCCI's assets asked U.S. Bankruptcy Court to protect the bank's *assets from an* explosion of competing claims.

U.S. Bankruptcy *Court Judge* James Garrity said he would temporarily restrain governmental *agencies from* liquidating BCCI assets.

BCCI lawyers said they wanted *an arrangement* in the United States similar to the four months British officials had given them to work out the best way to distribute the bank's assets.

The Bank of England appointed Touche Ross to liquidate BCCI's assets as regulators try to pay off creditors following the July 5 seizure of the bank.

(Reuters, WP, AP)

CASE: *Manhattan Prosecutor's Strong Pursuit of BCCI Raises Questions*

(Continued from first finance page)

actions had intentional, harmful effects in the United States.

Some legal experts question the wisdom of a Manhattan district attorney's *pursuit of a case* involving large-scale fraud against a bank with operations in 69 countries, especially when most of the misconduct occurred elsewhere.

"If BCCI did something that hurt a lot of people here, then fine," said Stanley S. Arkin, a prominent criminal defense attorney.

"But since it appears that only a pinkie finger of the case is in the United States, *there is a certain* arrogance in going after it in the American courts. It's like saying *that only* the U.S. has an aggressive criminal justice system."

Aggressive or not, defendants may be scarce at a BCCI trial. The Manhattan indictment seeks the *extradition of the bank's founder,* Agha Hasan Abedi, who is in Karachi, and its former president, Swaleh Naqvi, now in Abu Dhabi, whose ruler is the largest shareholder in *the bank.*

The Pakistani government has not yet taken *a formal stance* on the issue, but according to press reports from Pakistan, the top provincial official in Karachi said last week that the government would not cooperate in extraditing Mr. Abedi, who has suffered two heart attacks and stays in a wheelchair.

*Mr. Naqvi is said to be cooperat*ing with Abu Dhabi officials as they try to sort out the bank's multibillion-dollar losses.

For his part, Mr. Morgenthau *concedes that it may be difficult to* apprehend the defendants and bring *them to trial. But he insists* that it is vital to pursue such cases. He points out that BCCI dealt mostly in dollars and, he alleges, it did a big business in laundering money for drug barons, with much of it passing through New York.

Even the district attorney's critics concede that whether the case comes to trial is probably less important than the fact that he was investigating the bank while other agencies of the American government showed little interest.

Magazine Says CIA Used BCCI As Key Source

Reuters

NEW YORK — The Central Intelligence Agency penetrated the Bank of Credit & Commerce International and pumped it for intelligence on *terrorism and money* laundering for years, Newsweek reported Sunday.

Citing sources in and out of the agency, the magazine said the BCCI connection helped the CIA track terrorists worldwide and brought information *that led "authorities in Eu*rope" to freeze bank accounts held by terrorist groups.

Intelligence gleaned from BCCI s also led European officials to shut down front companies that financed terrorist attacks, Newsweek said. It did *not identify the terrorist* groups.

The magazine quoted the CIA *deputy director,* Richard Kerr, as saying the agency aggressively targeted the bank to get information on illicit activities.

Congressional sources said the CIA was negligent about telling U.S. authorities of the bank's alleged crimes, Newsweek said.

BUSINESS BRIEFS

Taiwan Urged to Rethink GATT Plan

TAIPEI (AFP) — A legislator in Taiwan's governing party Sunday urged Taiwan to reconsider plans to enter the General Agreement on Tariffs and Trade, saying *its trade rules would allow China* to threaten the island's economy.

"Under GATT requirements, Taiwan would have to open its markets *to mainland* China and *offer* it preferential tariff treatment. By that time, our industries would have been threatened and our economy battered," a Nationalist Party legislator, Wu Hsien-erh, said.

Mr. Wu noted that Taiwan would also have to allow Chinese firms, including banks, to set up branches on the island and give them equal opportunities *to bid for tenders for major construction projects here.*

Japan to Make New Loan to China

TOKYO (AFP) — Japan will loan China 700 billion yen ($5.1 billion) to help promote development of oil, coal and natural gas resources, a newspaper reported here.

It will be Japan's third resources loan to China. Japan lent China 420 billion yen for resources development in 1979 and 580 billion yen in 1984.

Following a Group of Seven summit meeting in Houston last year, Japan unfroze a general yen credit of 810 billion yen to China.

Prague Signs Agreements With Balts

PRAGUE (Reuters) — Czechoslovakia *has signed economic agree*ments with the Soviet Baltic republics of Lithuania, Estonia and Latvia, the state news agency CTK reported.

The agreements make it possible to sell goods for hard currency and for companies to cooperate directly. CTK said that Czechoslovakia was the first country to *sign trade and economic agreements with* the three Baltic republics.

Czechoslovakia has already signed similar accords with the Russian Federation, Byelorussia and the Ukraine.

German Workers Share Plan Urged

OSNABRUECK, Germany (Reuters) — Germany *should* draw up new laws providing for workers to be given investment packages such as share ownership packages as part of their wages, Hermann Rappe, chairman of chemical workers' union IG Chemie, said Sunday.

Mr. Rappe, who is also a Social Democrat member of parliament, said the plan should encourage share ownership in the employing company throughout Germany and also offer participation in investment funds.

Angola to Privatize Coffee Farms

LISBON (Reuters) — Angola plans to privatize 30 of its biggest coffee plantations over the next few months to try to regain the country's position as one of the world's leading producers, the Portuguese news agency Lusa said.

Lusa quoted Coffee Minister Faustino Muteka as saying in Luanda that the sales of the plantations would be open to both Angolan and foreign buyers. He gave no more details.

WALL STREET REVIEW

Figures as of close of trading Friday, Aug. 2.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
TelMex n	116347	33 1/8	31 3/4	31 7/8	+ 1/4
PepsiC	113215	32 1/8	29 1/2	31 5/8	+2 1/8
vjColGs	100197	19 3/4	12 5/8	15 1/4	−3 3/4
TimeW rt	95922	6 1/4	2 1/2	5	+ 3/4
AT&T	86980	40 1/8	39 5/8	39 7/8	
AmExp	85979	27	24 3/8	25 3/4	+1
USXMar n	85013	27 5/8	25 1/4	27 5/8	+2
PhilMr	84299	69 3/8	66 1/8	68 5/8	+2 1/2
RJR Nb n	70094	11 3/8	11 1/8	11 3/8	+ 1/8
Boeing	63515	46 7/8	43 1/8	45 1/2	+1 7/8
TimeW	59084	86 1/4	82 1/8	85	+1 1/4
Compaq	58058	36 7/8	31 3/4	36 1/4	+4 1/8
Glaxo	56090	44 3/8	42 1/2	44 3/8	+1 7/8
McDonl	51395	33 1/8	31 1/2	31 3/4	−1
ShowNt	49788	8 1/2	7 1/8	8 1/4	+ 5/8
Singer n	49418	14 3/8	14	14 1/4	
SouthCo	49229	28 3/8	27 1/2	27 7/8	+ 1/4
GenEl	49026	73 1/2	72 1/4	72 3/4	
GnMotr	48426	40 3/4	39 1/8	39 5/8	− 3/8
GTE	48141	29 7/8	29	29 3/4	+ 3/8
FedNM	47572	59	54 1/8	57 3/4	+2 7/8
Pfizer s	46060	62 7/8	60 1/4	62 1/2	+2 1/4
IBM	45759	102 7/8	100 1/4	100 1/4	− 1/4
OcciPet	45153	24 1/2	23 1/2	24 1/4	+ 3/8
Waste	43919	38 1/8	36 5/8	37 7/8	+1 3/8

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
RhoP rt s	35502	3 1/8	2 3/8	2 5/8	− 3/4
Hilhav	33163	3 7/8	2 3/4	3 3/8	+ 7/8
MetMB	25189	18 7/8	17	18 1/4	+1 1/2
FruitL	19899	17 7/8	16 1/4	17 7/8	+1 1/2
InstSy	15739	4 1/8	3 3/4	3 7/8	+ 1/4
DowC rt	14173	7 1/2	6 5/8	7 1/2	+ 3/4
EchoBy	13328	9 1/2	8 7/8	9	− 1/2
TubMex	11883	11	10 1/2	10 1/2	− 3/4
ForstL s	11090	43 7/8	40	43 5/8	+2 7/8
NAVac	10306	12 3/8	8 1/4	11 1/8	+3 1/8
Edisto	9358	5 1/4	4	5 1/8	+ 5/8
Nabors	8706	6 3/4	5 3/4	6 1/4	+ 1/4
Amdhl	8554	15	14	14 7/8	+ 1/2
InCorA s	7958	7 7/8	7	7 3/4	− 5/8
ENSCO	7440	2 3/4	2 1/2	2 1/2	− 1/4
CarnCr	7295	23	22	22	
Kirby	7195	12 3/8	11 1/4	12 1/4	+1
Alza	6594	64 1/4	62 1/2	63 3/4	+1 1/8
SolrPh	6392	5 1/4	4 1/2	5 1/4	+ 1/2
WangB	6237	3 3/4	3 1/8	3 1/4	− 1/8
ChDvA s	5853	30 3/4	28 3/4	30 3/4	+2 1/4
Wthfrd	5783	6 1/8	5 5/8	5 3/4	+ 1/8
BergBr	5655	28	26 3/8	28	+1 1/8
AExpl	5650	3 1/4	2 7/8	3	+ 1/8
TelDta	5621	34 3/4	32 7/8	33 3/4	+1

NYSE Sales

	Sales Vol.
Total for week	805,280,000
Week ago	742,150,870
Year ago	1,042,540,000
Two years ago	912,130,000
Jan 1 to date	26,671,550,000
1990 to date	23,762,280,000
1989 to date	23,904,890,000

AMEX Sales

	Sales Vol.
Total for week	58,210,000
Week ago	48,800,000
Year ago	80,980,000
Jan 1 to date	1,578,540,000
1990 to date	2,084,860,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1283	821
Declined	689	1115
Unchanged	294	332
Total Issues	2266	2268
New Highs	243	163
New Lows	45	34

AMEX Diaries

	This Wk	Last Wk
Advanced	407	345
Declined	378	437
Unchanged	196	191
Total Issues	981	973
New Highs	79	58
New Lows	30	28

ORIENT GROWTH FUND FCP

2, boulevard Royal Luxembourg

DIVIDEND ANNOUNCEMENT

ORIENT GROWTH FUND will pay on August 19, 1991, an interim dividend of $US 2.60 per share to the Unitholders on Record August 5th, 1991.

Shares will be traded ex-dividend on August 5th, 1991.

The Board of Directors of the Management Company
ROYAL FCP MANAGEMENT S.A.
Société Anonyme

Euromarts At a Glance

Eurobond Yields

	July 31	July 24
U.S. $, 8 yrs & over	8.99	9.07
U.S. $, 5 to 7 yrs	8.52	8.57
U.S. $, less than 5 yrs	7.77	7.85
Pounds sterling, less than 5 yrs	11.29	11.31
French francs, less than 5 yrs	9.74	9.71
Ital. lire, less than 5 yrs	11.81	11.91
Danish krona, less than 5 yrs	10.89	10.86
ECU, 8 yrs & over	9.24	9.23
ECU, 5 to 7 yrs	9.28	9.24
Can. $, less than 5 yrs	10.33	10.37
Aus. $, less than 5 yrs	11.53	11.67
N.Z. $, less than 5 yrs	10.42	10.46
Yen, 5 to 7 yrs	7.32	7.19
Yen, less than 5 yrs	7.40	7.51

Source: Luxembourg Stock Exchange.

Weekly Sales Aug. 1

Primary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	18.70	1,675.80	775.20	1,327.84
Convert.	—	15.90	39.40	7.10
FRNs	326.40	408.40	183.00	69.80
ECP	3,273.30	2,751.80	9,120.10	3,334.50
Total	3,618.40	4,843.90	10,117.70	4,739.20

Secondary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	7,516.00	17,268.60	13,927.20	16,927.80
Convert.	219.30	599.60	602.30	373.40
FRNs	5,435.42	2,076.00	4,742.80	2,198.70
ECP	4,946.70	3,041.30	3,260.70	3,387.40
Total	18,117.40	22,977.50	22,534.00	23,878.50

Source: Euroclear, Cedel.

Libor Rates Aug. 2

	1-month	3-month	6-month
U.S. $	5 7/8	6	6 3/16
Deutsche mark	9 1/8	9 3/8	9 9/16
Pound sterling	11	11	10 7/8
French franc	9 1/2	9 5/8	9 11/16
ECU	9 7/8	10	10 3/16
Yen	7 7/16	7 3/8	7 3/16

Sources: Lloyds Bank, Reuters.

U.S. Treasury Bonds Aug. 1

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
31.07.93	100 11/32	100 12/32	6.69	6.86
15.05.94	100	100 1/32	7.00	7.23
31.07.96	101 1/32	101 2/32	7.62	7.82
15.07.98	101 27/32	101 28/32	7.90	8.06
15.05.01	99 19/32	99 20/32	8.06	8.20
15.02.06	109 26/32	109 24/32	8.22	8.34
15.08.20	98 19/32	98 20/32	8.25	8.39

Source: Salomon Inc.

U.S. Consumer Rates Aug. 2

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.09 %
Money Market Funds	
Donoghue's 7-Day Average	5.45 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.09 %
Home Mortgage, FHLB average	n.a.

Source: New York Times Service, UPI.

INTERNATIONAL BusinessWeek

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- BCCI's Muck Hits The White House
- Allianz Takes On Deutsche Bank
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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Aug. 2.

A

			Sales in 100s	High	Low	Close	Net Ch'ge
A&W Bd	.40	1.1	1424	36	34¾	35¼	+ ⅜
ABS	.32	4.6	133	7¼	6½	7	+ ½
ACC Cp	.16	1.5	2439	10¾	10½	10⅝	— ¼
ADC			6968	28½	27	27	—1
ADT	t		35753	9⅛	8	8⅝	
AEL			94	6¾	6⅛	6½	— ¼
AEP			8	12½	12	12¼	— ½
AESCp			5092	25¾	22	25	+2½
ASK			4831	10¼	9⅝	9⅞	— ⅝
AST s			31640	27	25	26	+ ⅜
AarnRt	.10	.9	194	10¾	10	10¾	+ ½
AbingB			125	4	3¾	4	+ ¼
Accel	.24	3.1	138	7¾	7¼	7¾	
Acclaim			3522	3¾	2⅞	3	— ½
Aceto	.28	2.3	904	12½	11¾	12¼	+ ⅜
Acmt a			88	6⅞	6	6	— ⅞
AcmeSt			302	15	13¾	13¾	— ¾
ActARt			673	1⅝	1⅛	1⅛	
Acxiom			1746	14¾	11¾	14¼	+2¼
AdacLb			4588	1¾	1½	1⅝	— ⅛
Adage s			4	9¼	8¼	8¼	+ ⅛
Adapt			1816	13¼	12¼	12½	— ½
Adinal s			723	8	7⅞	7⅞	— ⅛
AdiaSv	.16	.7	25	22¾	22	22	
AdobeS	.32	.6	26773	55⅜	48⅝	54½	+5¼
Adtec			1060	2¼	1½	2¼	
AdvRos			48	10	9⅜	9⅜	
AdvClr s			664	8⅝	8⅛	8⅛	
AdvLog			3283	15¼	13¾	14¼	— ¼
AdvMag			38	21	20	21	
AdMkSv			443	2½	2	2	— ⅜
AdvPoly			3321	6	5⅝	5⅝	— ⅛
AdvPro			11407	8¼	7	7⅝	+ ¼
AdvSem			401	4	3½	3¾	
AdvTel			5521	20¼	19¾	19⅞	— ⅜
Advanta	.20	.9	4852	23¼	22	23	+ ⅛
AdvoSv			3301	20½	19⅞	20	+ ¼
Aegon	1.63r	2.6	20	62¾	61	62⅜	+ ¾
Aequitrn			396	2¾	2½	2¾	
AerSysl			130	⅞	¾	¾	— ⅛
Aerovx			1122	7¼	6⅜	6⅜	— ⅜
AfflBcCo			40	¼	¼	¼	— ⅛
AflBsh	.08e	.4	1504	20¾	19¾	20¼	+ ¾
AgncyR			1881	9⅛	8⅝	8⅞	— ⅛
Agnico g	.20	4.1	415	5⅛	4⅝	4⅞	— ⅛
Agourn			311	15¾	14½	15½	
Ahold			1050	41¾	40½	41¼	— ¼
Alcorp			628	4⅝	3¾	4⅛	
AirWisc			1238	9⅛	8⅝	8⅞	— ¼
Airtran	.20	1.9	2795	10¾	9¾	10½	+ ½
Akorn	.07	2.8	1606	2½	2⅜	2½	+ ⅛
Akzo	1.37e	4.6	3317	30¾	28¾	30	+ ¾
Alafen	1.10	7.2	115	16	15¼	15¼	— ½
Aldus			12453	41¼	38⅜	39¾	— ¼
AlexBr	.28	1.6	4230	17½	16⅞	17	
AlexBld	.88	3.5	4818	25¼	22¾	25	+2
AlfaCp	.44	3.6	302	12½	11¾	12¼	+ ¼
AllasR			3893	18¾	17¾	18½	— ¼
Allco	.15	.7	19	22	20¼	22	+1½
Alkerm			3993	10½	9⅝	9¾	—1⅛
AllAm s			117	1¼	1	1	— ¼
AllCity			31	6⅞	5⅞	6⅞	+ ⅜
AlegW			221	5	4⅞	4⅞	+ ⅛
AlnOrg	.40a	1.3	25	31⅛	30½	31	— ¼
AllanPh			2340	15	13¾	14½	+ ½
Allant h			1228	⅛	⅛	⅛	
AlldBk	.32	3.9	701	8¼	7½	8⅛	+1⅛
AlldCap	1.29e	8.3	676	16¼	15¼	15⅝	— ⅜
AldCall	1.00e	6.5	720	15¾	15¼	15⅜	— ⅛
AlldCl			7333	24⅝	22¾	23½	
AlldGp	.56	3.2	215	18¼	17½	17½	— ¼
AlldRsh			788	16¼	14⅝	15⅛	+1⅛
AllslFn			2319	12¼	10¾	12	+ ½
Allwst			3452	5¼	4⅞	5	— ⅛
Aloette	.32	2.6	85	12¼	11¾	12¼	+ ¼
AlpMic			214	3¼	2¾	3	
Alphart			1416	2	1⅝	1⅝	
AlpLce			494	7¼	6½	7	— ¼
AltaGld			1938	1⅛	⅞	1	
AltaHlt			345	14	13	13¼	
Altera			10646	21¼	19⅝	21⅛	+1½
Altron			184	4¾	4⅛	4¾	+ ¼
Amvest			309	2¼	2	2⅛	— ⅛
AmcorF	.56	3.4	113	16½	16	16¼	+ ¼
Amrlan	.56	4.9	254	12	11½	11½	+ ¼
Amerbc			436	2⅝	2⅛	2⅝	+ ⅛
AFFMt2	1.99e	30.6	184	6¾	6½	6½	— ¼
AFFF	1.50	7.2	459	21½	20¾	20¾	— ½
AmFPr	1.30	11.3	418	12¼	11½	11½	— ½
AFTxE	1.00	11.8	647	8¾	8½	8½	— ¼
AFTxE2	1.28	14.2	501	9	8½	9	+ ⅛
vlAWAlrl			4490	3	2½	2¾	+ ⅜
AmBcp	1.00e	5.9	63	17⅛	17	17	
ABnkr	.60	3.7	3017	16⅝	16	16¼	
AmBlod			3828	10¾	10	10¾	+ ¼
AmCity			13	17¾	17	17¾	+ ¾
AClam s			1736	12½	8½	12¼	+3¾
ACoinld	.44	4.3	297	10¾	9¼	10¼	+1
AConsu			85	3⅜	2⅞	2⅞	— ⅜
AmDntl			1919	15	13¾	14¼	— ¾
AmEcol			616	16	13¾	15¼	+1
AFSvDu			193	5½	5⅜	5⅜	+ ½
AFilm			195	4	3⅜	3⅞	+ ⅛
AFltrn	.94	4.3	94	21¾	20½	21¾	+ ¾
AGreet	.78	2.3	10686	34¼	32¾	33¾	+1⅜
AHltSv			1963	1¾	1⅝	1½	
AIndF	.08	1.1	37	7¼	7	7	— ¼
AmIntg			5373	6⅛	5	5⅜	+ ⅜
AMS			5048	21¾	19¾	20	— ¾
AMedE s			1360	12¾	12	12¾	+ ¾
ANtIns	1.72	5.2	360	33½	32	33	+ ¾
ANuclC			224	2¼	2	2⅛	— ⅛
AmNurs			640	⅞	¾	¾	
AmPac			465	11¾	10¾	11⅜	+ ⅝
APhyG			407	1¾	1¼	1½	— ⅛
APwCv s			5596	30¼	27	27¼	— ⅛
ARepBc			5	6	6	6	
AmRice			20	⅞	⅞	⅞	
ASoft	.24	1.8	3095	13⅝	12	13¼	+ ⅞
AmSft			130	1⅜	1½	1½	
ATvCm			9314	47	39⅞	45	+6⅛
ATrav s			1861	14¼	13½	14	+ ¼
AVang			26	6⅞	6⅝	6⅞	+ ⅛
AWood			30	4	3⅝	4	+ ⅛
AmAll	.21e	5.1	688	4⅝	4⅛	4⅛	— ¼
Amerltr	.64	2.4	14169	26⅝	25⅝	26½	+ ⅜
Amgen s			26613	150	139¾	146¾	+6
AmtvBc			6	2¼	2¼	2¼	— ½
Amoskg			60	11¾	10½	11	+ ¼
Ampicn			62	15	14¾	15	+ ¼
Amserv	t		414	3¾	3¼	3½	
AmtcCp			2818	15¼	13	14¾	+1½
Anlogic			1216	11½	10⅞	11½	+ ½
AnalyTc	.19	1.9	95	10½	9½	9¾	— ⅞
Analy	.56	4.1	370	14¼	13½	13½	
Anangel	.90e	5.6	4072	16¼	15	16	+1
Anaren			57	3⅜	3⅛	3⅜	+ ¼
AnchBc			3917	3⅜	2⅞	3	
AndrGr			36	8¼	7¾	7¾	
AndvBc			248	3⅝	3½	3⅝	+ ⅛
AndvTg			91	3¼	2½	3	+ ½
Andrew			2116	32½	31⅜	32½	+ ⅞
Andros			1161	7¼	6⅜	6⅞	+ ¼
Apertus			844	1½	1⅛	1¼	
ApogEn	.36	2.0	630	14½	13¼	13¼	—1
Apolan			1937	⅝	½	⅝	
AppleC	.48	1.0	86354	50¼	44½	50	+5⅛
Aplebee	.04e	.4	416	10½	9⅝	10	— ¼
ApdExtr			3747	11½	10¼	10¼	— ¼
ABiosc s			1739	33¼	31¼	33¼	+ ¾
ApldBio			6443	12	11	11½	
Apdimu			762	14¼	12½	13½	— ¾
ApldMt			13856	34	29⅜	31⅜	+1½
ApldPw	.12	.7	1021	17½	16¼	17	+ ¾
ApldSlr			89	6	4⅜	5	+ ⅛
ArabSh			80	2	1⅝	1⅝	— ¼
Arbor s	.14	.7	1377	19⅝	18¼	19⅜	+ ⅞
Archive			1353	4¼	3⅞	4¼	+ ⅛
Arctco			3561	9⅛	8⅞	9⅛	+ ¼
Arden			16	42½	42	42½	+¼
ArgoGp s	.68	2.6	907	26½	25½	26½	+ ½
Aritch			18	2⅜	2⅛	2⅛	
ARIX			4010	⅞	¾	⅞	+
ArkoFt			872	30	28¾	30	
Armor	.48	3.9	819	13	10¾	12¼	+1½
Arnold s			1981	26⅝	25	26¼	+1¼
ArowFn	.40	5.4	88	7½	7	7⅜	— ⅜
Arlel			582	1⅛	1	1⅛	— ⅛
ArtstG s			1169	11¼	9⅞	10¼	— ½
ArlWav	.40	3.6	18	11	11	11	
Ashton			19599	15¾	15½	15½	— ⅛
Aslamr			763	4½	4⅛	4⅜	
AspctTl			850	7⅝	7	7¼	+ ½
AspenBk			569	8¼	8	8	— ½
Asonim			33	1¾	1⅝	1⅝	+ ⅛
Assix			323	3	2¾	2¾	
AsdBnc	.80	2.7	328	29½	29	29½	+ ½
AsdCmA s			449	15¾	14½	15⅜	+1⅜
AsdCmB s			157	16¼	14¼	15	+ ⅜
Astec			497	4	3¾	3⅜	+ ⅛
AstrM s	.03e	.2	324	15¼	14	14	— ½
Astron			859	2⅝	2	2⅝	+ ⅝
Astrosy			117	3¼	3⅛	3¼	
Atex			15	3⅜	3	3	
Athey			46	5⅝	4½	5	— ⅜
Atkinsn			726	7½	5½	5¾	—1½
AtlAm			41	1½	1⅜	1½	+ ⅛
AtlSeAr	.60	1.8	3040	33¾	30¾	32½	—1½
Atmel			3625	13	12⅜	12½	— ½
AtwdOc			784	10	9½	10	+ ½
AuBon			1165	12	11½	11¾	
AuroSy			11511	7⅜	6⅞	7⅝	+ ¼
AutTrT	t		35	2	1⅞	1⅞	
Autoinf			1004	5⅜	4⅞	5	
Autoclv	.24	3.2	308	7½	7	7½	+ ¼
Autodk	.48	.9	12139	56¼	50¾	52	—1
Autodie			88	2½	2	2½	
AutSec	.22e	3.3	4308	6⅞	6½	6⅞	
AutoCp	t		1	12¾	12¾	12¾	+1¾
Avntek			2894	2⅛	1⅞	2⅛	+ ⅛
Avatar			426	22¼	21½	22	+ ½
Avndle			9508	3¼	3	3⅛	+ ⅛
Axtar			4165	6⅝	6⅛	6¼	— ⅛
AztcM	.10b	2.4	132	4¼	3⅞	4¼	

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Company news, even though it was mixed, pushed up the Amsterdam share market index by 1 percent last week.

Chemical concerns DSM and Akzo both reported lower profits, but Philips showed a strong second quarter recovery reflecting the impact of restructuring measures. Philips shares reached a new high for the year at 34.50 guilders in reaction.

The CBS all share index closed Friday at 201.80, up from 199.30 the previous week. Volume was 5.2 billion guilders, of which equities accounted for 2.2 billion. The previous week's total volume was 6.2 billion guilders.

Frankfurt

Share prices firmed, encouraged by good performances on other world markets and good interim company results.

The DAX index closed Friday at 1,615.36, 9.72 points higher than the previous week. But the Commerzbank index was 5.10 lower at 1,890.00.

Volume on the country's eight markets improved slightly, to 20.61 billion Deutsche marks from 18.42 billion DM the previous week.

Deutsche Bank, which announced operating profit up 23.4 percent, put on 16.90 to 637.90, while Dresdner gained 6 to 357.50, and Commerzbank put on 13.30 to 254.80.

Hong Kong

Hong Kong shares rose to a new high, with the Hang Seng Index gaining 28.11 points or 6.1 percent, to 4,059.4.

But average daily volume dropped to 1.51 billion Hong Kong dollars from 1.69 billion dollars.

After the previous week's record of 4,031.29, the market opened weak on profit-taking with the index losing 15 points Monday and another 24.46 points Tuesday to drop below the psychological 4,000-point barrier.

Share prices rebounded Wednesday with a gain of 17.75 points and another 20.43 points Thursday despite a lack of fresh incentives.

London

A late surge brought shares to new highs Friday after a subdued week.

The market had a buoyant start in the belief that the recession was about to end. The FT-SE 100 index hit a record high of 2,612.4 points on Tuesday while the broad-based FTA All-Share index closed above its July 1987 record.

Shares fell back again when recovery hopes were challenged by the Confederation of British Industry and bank chairmen.

The market only perked up Friday, when the FT-SE index closed the week up 12.4 points, or 0.5 percent, at 2,601.7. The FT-Ordinary index of 30 shares rose 11.1 points from the previous Friday to a record close of 2,014.6.

Milan

The Milan bourse made new gains, with the MIB index climbing to 1,126 from 1,112 the previous week.

Volume increased to an average of 90 billion lire per day from 78 billion the previous week.

The return of foreign investors and the slowing of inflation helped the positive mood. But there are still worries about Yugoslavia and the domestic economy.

Paris

The Paris CAC 40 index finished at 1,766.52, slightly below the previous week's 1,767.66 close as holidays emptied the Bourse.

While other European markets have risen in recent weeks, Paris dealers say there are good bargains on their market. Paris is still 11 percent below its year-ago level.

But hopes of a recovery that might spur share prices were dashed by Finance Minister Pierre Bérégovoy's prediction that there would be virtually no growth in France in the second half of the year.

Singapore

Reluctant investors left trading on the Singapore stock market lackluster throughout the week, brokers said.

The Straits Times industrial index closed the week 27.25 points lower at 1,477.62, while the Stock Exchange of Singapore fell 4.81 points to 400.40.

Tokyo

Share prices climbed on the Tokyo Stock Exchange in slow trading, as investors gauged the impact of developments in Japan's stock scandal.

The Nikkei average closed at 24,027.97 yen, up 508.90 on the week. The Tokyo Stock Price Index gained 13.2 points to 1,846.80.

Daily turnover averaged 244.4 million shares worth 292.4 billion yen, up from previous week's 241.5 million shares worth 269.5 billion yen.

Zurich

The Swiss Performance Index rose 3.9 points to 1,122.7 at last week's close. But trading was quiet because of the Swiss national holiday Thursday and volume was weak.

Shares linked to consumer goods performed the best. Nestle gained 70 francs to 8,730 and Ciba Geigy put on 50 francs to 2,980.

China Aids New Stock Exchanges

Reuters

BEIJING — China's central bank is committed to expanding capitalist-style stock markets in the country, the official China Daily newspaper reported Sunday.

The bank is drafting a major program to encourage exchanges, including setting a clear regulatory framework, allowing new listings and opening the market for foreign investment, Shang Ming, an adviser to the People's Bank of China, told the newspaper.

"The State Council is paying close attention to the experiments of China's two stock exchanges in Shanghai and Shenzhen. We plan to expand the two markets this year," said Mr. Shang, a former vice governor of the bank.

The Shenzhen exchange, just over the border from Hong Kong, opened officially last month, ending more than three years of gray-market trading.

The market in Shanghai opened last December.

"The experiments have so far proved normal and the two markets are progressing steadily," Mr. Shang said.

Eight companies now have shares listed in Shanghai, and six in Shenzhen. Mr. Shang said the markets needed to expand in order to reach a viable size.

Commodities Exchanges Teaching Soviets About the Art of the Deal

By Elizabeth Shogren
Los Angeles Times Service

MOSCOW — Hundreds of fledgling Soviet brokers crowd around two trading pits as an announcer in a big bow tie reads off what's for sale today at the Russian Commodities and Raw Materials Exchange: 100,000 jars of mayonnaise, 65 tons of sheet steel, a new Porsche and much, much more.

When a broker hears what he wants, he raises a blue, yellow or red card with the number of his brokerage company. He scans the room for the card of the company that has the item for sale.

After quick negotiation, the brokers scurry to the trading hall's bank of telephones. Clients must be advised; deals must be confirmed.

With 1,200 active brokerages, offering thousands of items for sale each day — from bulk paper to cement to Xerox copiers — and with a monthly trading volume as high as 1 billion rubles, or $555 million at the official commercial rate, this is the Soviet Union's biggest commodities exchange.

In a country famous for shortages, brokers here at the Russian Commodities and Raw Materials Exchange say that they no longer listen when people complain.

"It's a myth that there are no goods in the Soviet Union," Mikhail S. Lapshin, head of the brokers' union at the exchange, said during a recent trading session. "An unbelievably large quantity of goods comes to us. We sell everything here from nails to airplanes."

Since the Russian Commodities and Raw Materials Exchange opened nine months ago, the volume of trading has surged. One day last month, the trading volume of 190 million rubles exceeded the total for all of February — 124 million rubles. The monthly volume record of 1 billion rubles was set in May, thanks to several huge deals.

With so much business being done, the price for a seat on the exchange has soared. In October, companies could buy seats on the exchange for 100,000 rubles, but in a recent auction, six brokerages bought seats for 4.5 million rubles each. There are even 20 foreign companies with seats on the exchange.

> **'An unbelievably large quantity of goods comes to us. We sell everything here from nails to airplanes.'**
> **Mikhail S. Lapshin, brokers' union leader**

The brokerage business has become a hot new profession for the young and ambitious. A starting broker's monthly earnings range from 1,000 to 2,000 rubles, or three to six times the average Soviet monthly wage.

But because the brokers work on commission, the experienced among them can earn tens of thousands of rubles monthly — money only black marketeers could imagine a couple of years ago.

"At the exchange, you can earn a lot of money quickly and honestly," said Igor R. Kaminsky, 29, owner of the Vikor brokerage. "Before, the only ways to earn a lot of money quickly were dishonest."

The exchange's explosive growth results from the disintegration of the Soviet Union's centralized economy.

"Our economy was formed as an economy of state monopolies, and manufacturing resources were all monopolized by the state apparatus — lumber, metal, chemicals, machines, mechanical equipment, et cetera," said Vladimir A. Tikhonov, a national legislator and head of the Union of Cooperatives.

Commodities exchanges have stripped the state distribution network and state-owned factories of their monopoly hold on the Soviet marketplace.

The demand for new marketplaces was so great, Mr. Lapshin said, that in the last year more than 400 commodities exchanges have cropped up — from Baku, in the southern republic of Azerbaijan, to the oil-rich Tyumen region of Siberia — giving a boost to private industry.

"The thing is that, in the Soviet Union, there are two prices for each good," Mr. Lapshin said. "One is the state price, which is very low. But there's another price, the market price, and it's determined here. Those who have goods don't want to sell them at the low state prices; they would rather sell them here."

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, Aug. 2.

Option & price		Calls			Puts		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Call Vol 174,299 Call Open Int 2,571,974
Total Put Vol 144,882 Put Open Int 1,495,951
r—Not traded. s—No option offered. o—Old. Last is premium (purchase price).

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, Aug. 2.

Option & price		Calls			Puts		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Call Vol 45,891 Call Open Int 1,518,092
Total Put Vol 30,185 Put Open Int 845,838
r—Not traded. s—No option offered. o—Old. Last is premium (purchase price).

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Aug. 2.
(Continued)

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
VLSI			3890	8	7¾	7⅞	+ ¼
VMX			1165	1⅝	1⅜	1⅝	— ⅛
VSB Bc	.32	3.2	342	11	10⅝	10⅝	— ⅞
VSE	.28	3.6	14	7¾	6⅞	7¾	+ ⅜
VWR	.80	5.0	88	17¼	15¾	16	+ ¼
Valcom			46	11⅞	11	11½	
ValidLg			7222	3⅝	3	3⅝	+ ¼
Vallen s			246	20	17½	18½	— ½
ValyBc	1.20	4.7	230	26¼	25½	25¾	— ¾
VlyCap	.80	2.4	7138	35½	21¾	34	+11½
VlyBcp	1.36	5.7	63	26	24	24	
ValNtl			9136	24⅞	23⅝	23⅝	— ⅝
ValliCor	.10e	1.5	64	6½	6	6½	+ ½
Valmnt	.26	1.9	459	14¼	13	13¾	— ⅛
ValHlth			4371	17¼	16⅝	16⅝	— ⅝
ValLn	.60	2.5	222	26	24	24	—1½
ValMer			998	23¾	22½	22½	— ¾
VardCl s			12994	23½	20	23	+2¾
VREF II	.60a	7.5	60	8¼	8	8	
VREF I	.69e	8.2	418	8⅝	8	8⅛	+ ⅜
VariCre	.04	1.0	31	4½	3¾	4⅛	
Varitrn			960	7½	6⅞	7⅛	+ ⅛
Varien	.60	4.5	99	13⅞	13¼	13¼	— ⅜
VeloBd			456	9⅝	9½	9½	
Vencor s			1737	29½	27¾	28	—1⅜
Ventrex			858	1	¾	⅞	+ ⅛
VenCtv			151	6	5⅝	5⅝	
Venturn	.14e	1.9	1	7½	7½	7½	—2
Verifne			4869	18	17	17½	— ½
VtFin	.30t	4.6	123	6¾	6½	6½	— ¼
Verso	.24	1.8	165	13½	13	13	— ¼
Vestor			1387	8½	7	7¼	— ¾
VertexC			227	9¾	8¾	8¾	— ¼
VertexP			5898	9¾	9	9⅝	— ⅛
Vicor			5159	46	42½	45¼	— ½
Vicorp			14743	29	26½	27¼	—4
VictBn			261	15¼	13	15¾	+1⅝
Videcrl			8418	13⅞	10⅝	12⅝	+1
VidDsp			509	5½	5	5	
VideoL			11169	24	20½	22	+ ¾
Vidmrk			131	4⅝	3⅝	4	— ⅛
Vla deFr			44	1⅞	1⅜	1⅜	+ ⅛
Viking			391	22	20	21	—1
VillFinl	.10e	.9	344	11½	11	11	— ½
VliSpM	.15	1.8	2	8¼	8¼	8¼	—1½
Viratek			376	5	4½	4½	— ¼
VaBch	.16	3.3	1731	5	3⅝	4⅞	+ ⅜
VitalSgn			1630	16¼	14¼	16	+1½
Voltlnf			25	10½	9¼	9¼	— ½
Volvo	2.51e	4.3	73	58	57⅝	58	+ ⅜
W							
WD 40	1.72	5.2	393	33½	31⅞	33¼	+ ¼
WLR Fd	.32	1.9	163	18	17¼	17⅛	— ¼
WPP Gp	1.11e	29.1	2063	3⅝	3½	3⅝	— ⅝
WSMP			201	4¼	3⅝	3⅝	
vjWTD			359	1⅝	1¼	1⅜	— ⅛
WalnBk			24	5½	5	5⅛	+ ⅛
Walbro	.10t		294	13	12	12	— ¼
Walshr	.20	1.8	74	11½	11⅛	11⅛	— ⅛
WrhseC			93	1⅝	1½		
Warnic			1077	2¾	1⅝	2⅛	+ ⅛
Warren			522	1⅞	1		
WshBcp			31	3½	2⅝	3½	+ ⅜
WashEn	1.40	6.1	2209	23¼	22⅝	23	+ ⅜
WFSL	1.12	3.2	1505	35½	34⅛	35¼	+ ¼
WshFDC			26	¾	⅝	⅝	
WshFOr	.30	1.8	159	16⅝	16½	16½	— ¼
WMSB	.56	2.1	5639	27½	26⅝	26⅝	+ ⅜
WMSB pf	3.75	7.2	614	52	51	52	+1
WshScl	.20	5.0	108	4½	4	4	— ⅛
WattldW			144	5⅝	4⅞	5⅛	— ½
Watrhs s	.16e	1.5	675	10⅝	9⅝	10⅜	+ ⅛
Watrin	.08e	3.0	57	2⅜	2⅝	2⅝	— ¼
Wattsind	.24	.5	1206	48⅝	45⅝	48⅝	+2⅝
WausP s	.40	1.0	1422	63	60¼	62¼	+1¼
Waver	.40	2.5	7	16	16	16	— ¾
WbstFn	.52	5.6	558	9¼	8⅝	9¼	+ ⅜
Wegenr			24	1⅝	1½	1½	+
WeigTr	.40	1.8	5175	21⅞	21⅞	21⅞	+ ⅛
Weltek			3817	8¼	7	8	
Wellfil			48029	24¼	21¼	23⅞	
Werner	.12	.5	244	24	23¼	24	+ ¾
Wesbnc	1.35	4.5	47	30⅝	30	30	— ½
WstCst			272	2	1½	1⅝	— ⅛
WMass	.28	5.3	65	5¼	5¼	5¼	— ½
WNewtn	.16e	2.6	1374	6⅝	5½	6¼	+ ⅜
WstOne	.96	3.0	2596	32¼	30	31¾	+1
Wstcot			1348	7	6⅝	6⅝	— ⅛
WtBank	†		222	16½	15⅛	15⅜	+ ½
WstCap			3246	5⅜	4⅝	5⅛	+ ⅜
WnFncl			174	5	3½	3½	—1
WMicTc			389	3¼	3	3¼	
WstnPb			4848	12⅜	11¼	11¼	— ⅝
Wstmrk			2096	40¼	39⅝	39¾	— ½
WmorC	.32a	1.7	319	19½	18½	18¾	— ⅝
Weston			1833	11	9½	10	—1
WstnBc			15	3½	3½	3½	— ⅛
WstwOn			5006	2⅝	2	2⅛	+ ⅛
WetSeal			2570	13	11	11	—1¼
Wetfra	.64	2.2	1361	29¼	28	29	+ ⅜
WetrFr	.96	5.1	75	19¼	17⅝	19	+ ⅛
Wevco	.64	2.4	11	29	26	26¼	+ ⅜
Wharf			140	5⅝	4⅞	4⅞	— ⅝
Wheatly			475	9⅛	8⅝	8⅝	— ½
Wicat			2416	3⅝	3⅝	3½	+ ⅛
Wiland			656	2	1⅜	1⅜	— ½
Wily J A	1.10	3.0	29	37	36½	36½	— ¼
Willamt	1.60	2.8	2451	57½	56⅛	56¼	— ¼
Willml			260	4¼	3⅝	4¼	+ ⅜
WillW	.68	5.2	4	13	13	13	—1
WmSon			3900	25½	21½	22¼	—1¾
WilmTr	1.64	3.3	2168	50	48¼	50	+1¾
WiscCT			1282	19½	19	19½	
WisSGs	1.20	3.5	2	34	34	34	+2
WiserO	.40a	2.6	1136	15⅝	14⅞	15¼	+ ¼
WolfFn			215	3½	3¼	3½	+ ⅛
Wolohn	.28b	1.3	490	22	20½	21½	+1
WlvExp			3405	¾	½	⅝	
Wolv wt			144	¼	⅛	¼	+ ⅛
WlvEx pf	2.25	112.5	576	2⅝	1⅞	2	— ⅛
Woodhd	.68	4.3	298	16	15¾	15¾	— ¼
Wordst			2696	3⅝	3⅛	3½	+ ⅛
WrkCap	.17e	1.2	561	14	13	13¾	+ ½
WorkBc	.45e	3.1	102	14¾	13¾	14¼	+ ¾
Worthg	.64	2.4	2694	26⅞	26¼	26½	— ½
Wyman	.40	6.5	1794	6½	6⅛	6⅛	— ⅜
X							
XL Dta			16467	10⅝	8⅝	10½	+ ¾
XOMA			48231	26¼	22	22⅝	— ⅜
XeRite	.12	.8	400	15	14¼	14¼	— ⅜
Xicor			1848	2⅝	2	2⅛	— ⅛
Xilinx			13184	26⅝	24¼	26	+ ½
Xplor	.08e	2.1	10	3⅞	3⅞	3⅞	
Xylogic			144	4¼	4¼	4¼	
Xyplex			1145	16½	16	16	— ¼
Y							
YelowF	.94	3.1	4787	30⅝	30⅛	30½	— ⅛
YesClth			12	4⅛	3¾	3¾	— ⅜
YorkFn	.68b	5.8	177	12¼	11¾	11¾	— ½
YorkRs			24412	6⅛	5	5⅝	+ ⅜
Z							
Z Sevn	.13e	.7	54	19½	18¾	19¼	— ¼
ZenLab			1256	12¼	7	11⅜	+ ⅜
Zeos s			1057	19½	17½	18⅞	
Zeus			30	2⅞	2⅝	2⅝	
Ziegler	.52a	3.5	274	17	14	15	—2
Zilog			3982	13⅝	12½	12⅝	—1⅛
ZionBc	1.44	3.1	478	47¼	43	46¼	+2⅝
Zitel			552	5⅝	5⅛	5⅜	— ⅛
Zycad			2241	3⅜	2⅝	3⅛	— ⅛

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INTERNATIONAL Herald Tribune
Published With The New York Times and The Washington Post

5-8-91

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MONDAY SPORTS

Victories by Dolphins and 49ers Fill 'Em Up in Tokyo and Berlin

The Associated Press

The National Football League wrapped up its international week with crowds of more than 66,000 in Berlin and nearly 50,000 in Tokyo watching exhibition games. There was Katarina Witt tossing the coin in the stadium where Jesse Owens won four gold medals in the 1936 Olympics, then a passing display in the Tokyo Dome on Sunday that would do any regular-season game proud.

Scott Secules and Scott Miller had a crowd of almost 50,000 in Tokyo roaring in approval as they put on a fourth quarter aerial show, and E. J. Junior returned an interception for a touchdown to lift the Miami Dolphins to a 19-17 victory over the Los Angeles Raiders in the exhibition on Sunday.

Secules threw passes of 13, 34 and 20 yards to Miller, the last one good for a touchdown that gave Miami a 13-10 lead. Two minutes later, Junior grabbed a Steve Beuerlein pass off Doug Lloyd's fingertips and ran 38 yards for a score.

"Scott showed that he can catch the ball in a pressure situation, and he ran punts back real well," Marino said of the rookie from UCLA. "I think he can make the team."

The Raiders' hopes of victory ended when Jeff Jaeger's potential game-winning 55-yard field goal sailed wide in the closing minute.

The Raiders started the game like a team suffering severe jet lag. And at 14,912 miles (24,000 kilometers) for the round trip, the trip to Tokyo accounts for more than one-third of all the Raiders' mileage on the road this season.

Their first possession ended with a fumble by Vance Mueller. On their second, quarterback Jay Schroeder connected with Willie Gault on a 41-yard pass to the Miami 17, but a holding penalty nullified the play.

Even a perfect punt by Jeff Gossett that angled out of bounds just outside the Miami end zone late in the second quarter was called back because of a penalty. The next kick went to Miami's 26, and from there the Dolphins marched to their second field goal, a 48-yarder by Charlie Baumann with 24 seconds left in the first half.

"Every time we would make a play, we'd have a penalty or the play would be brought back," Schroeder said. "On a scale of 1 to 100, this team played about 50."

In the second half, however, Vince Evans got the Raiders moving. On Los Angeles's second possession of the half, Evans's third straight completion was a 31-yard scoring toss to Sam Graddy that gave the Raiders the lead, 7-6.

Organizers believe the effort is not wasted on Japanese sports fans, who have already fallen for baseball with a passion many American team owners would envy. Even though only 30,000 or so Japanese play football, the game received heavy media attention and about 6,500 fans showed up for the indoor workouts.

Along with the NFL exhibition game, which has been held in Tokyo for the past three years, a U.S. college all-star game and other collegiate events are held annually, often to sellout crowds. Japanese college and industrial league players even have their own "Rice Bowl" game to determine the nation's top team.

So, after professional football's successful expansion into Europe with the World League of Football, could Japan be next?

"It is something we have considered," said Paul Tagliabue, the NFL commissioner. "I think this is something that is a few years off."

An NFL exhibition in London last Sunday drew about 50,000.

49ers 21, Bears 7: Joe Montana and Steve Young threw scoring passes as San Francisco overcame an anemic running attack to defeat Chicago before 66,876 in Berlin's Olympic Stadium on Saturday.

Montana threw a 19-yard touchdown pass to Jerry Rice and Young had a 4-yard scoring toss to Sanjay Beach to lead the 49ers, who also got a 2-yard touchdown run from fullback Keith Henderson.

San Francisco was never able to establish a running game, gaining only 25 yards in the first half.

Montana completed 12 of 16 passes for 136 yards. He was intercepted once and sacked twice in about 20 minutes of play. Young completed eight of 10 for 70 yards.

Even though former East German skating star Witt did the coin toss, there was plenty of Americana in a country with one of the three European franchises in the WLAF. Hamburgers were sold alongside bratwurst, and one concession stand offered "original Amerikanische chicken wings mit barbecue sauce."

Speaking of food, Holger Hintze, a fan in the stands, marveled at William "The Refrigerator" Perry of the Bears. "This Number 72 is unbelievable," Hintze said of the 370-pound (168-kilogram) Perry. "He's eaten many hamburgers."

Packers 28, Patriots 7: Quarterback Don Majikowski, making his first appearance since last November, led the Packers to scores on two of his three series for Green Bay. Majkowski underwent rotator cuff surgery last December.

● Tight end Mark Bavaro and the New York Giants have concluded an agreement that sources said would bring him back to the team for which he played before being waved this summer. A source with knowledge of the agreement said Bavaro would sign a one-year contract with the Giants for $310,000 and the team would then probably place Bavaro on the physically-unable-to-perform list, expecting he will not play this year as he attempts to rehabilitate his injured knee. *(NYT)*

NFL EXHIBITIONS

Lewis Puts U.S. Team On Mark

Reuters

MONACO — Carl Lewis anchored the Santa Monica Track Club to a share of the world 4x100-meter relay record that the U.S. team has chased for the past two years.

Mike Marsh, 100-meter record holder Leroy Burrell, Floyd Heard and Olympic 100-meter champion Lewis equaled the mark of 37.79 set by France last year in Split, Yugoslavia.

Saturday, the French team messed up the first baton change and did not even complete the race.

Lewis anchored the U.S. team to world records at the 1983 world championships and the 1984 Olympics.

Last year Santa Monica made several vain attempts to better the Los Angeles mark of 37.83, only to see the French snatch the record in Split.

"It's a milestone," Lewis said of the achievment on Saturday. "Not only did we take it back to America but we did it before the world championships.

"We can run faster. We can run 36."

Dave Ryplu The Associated Press

Maradona netted a goal, then celebrated by climbing the net.

For Charity, Maradona Gets 3 Goals

Reuters

BUENOS AIRES — Diego Maradona had a hat trick but still ended up a loser in his first full match since being banned from professional soccer for failing a drug test.

Maradona, whose presence attracted a 20,000 capacity crowd, stood out on a team made up largely of actors. But his team lost the charity match, 5-4, to a squad made up of former soccer players.

On his first goal, he chested the ball down then kicked it in. The second was a header and the third a free kick.

Earlier this year, Maradona was banned after testing positive for drugs. He was subsequently arrested on a cocaine charge in Argentina.

Maradona, formerly captain of Napoli in Italy and of Argentina's World Cup team, said: "I'm going to dedicate myself completely to five-man indoor soccer. I'm going to play some matches here in Buenos Aires and then I plan to go on a tour in the provinces."

"Before Diego announced on Monday that he was playing we had sold less than 1,000 tickets," said actor Ricardo Bauleo. "By Friday we were sold out and the city's government promised to match every dollar we raised."

Ticket sales raised $64,000 for a local hospital.

SCOREBOARD

Major League Standings

(Through Saturday's Games)

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	59	46	.562	—
Detroit	54	49	.524	4
Boston	50	53	.485	8
New York	47	53	.470	9½
Milwaukee	43	60	.417	15
Baltimore	42	60	.412	15½
Cleveland	34	68	.333	23½

West Division

Minnesota	62	43	.590	—
Chicago	58	45	.563	3
Oakland	58	47	.552	4
Texas	54	46	.540	5½
Seattle	56	48	.538	5½
California	52	51	.505	9
Kansas City	51	51	.500	9½

NATIONAL LEAGUE

East Division

Pittsburgh	60	42	.588	—
St. Louis	56	47	.544	4½
New York	55	47	.539	5
Chicago	50	52	.490	10
Philadelphia	45	58	.437	15½
Montreal	43	60	.417	17½

West Division

Los Angeles	58	44	.569	—
Atlanta	53	48	.525	4½
Cincinnati	50	51	.490	7½
San Francisco	50	52	.490	8
San Diego	50	53	.485	8½
Houston	43	59	.422	15

Friday's Line Scores

AMERICAN LEAGUE

Toronto 012 000 000—3 5 1
Boston 000 050 00x—5 9 1
Candiotti, Weathers (8) and Borders; Clemens and Pena. W—Clemens, 12-7. L—Candiotti, 9-11. HRs—Toronto, Gruber (12), Carter (24). Boston, Greenwell (8), Brunansky (13).

New York 101 010 000—3 9 0
Detroit 201 220 00x—7 9 1
Kamieniecki, Plunk (4), Howe (5) Habyan (7), Farr (8) and Nokes; Tanana, Gibson (8) and Tettleton. W—Tanana, 8-7. L—Kamieniecki, 4-4. HRs—Detroit, Whitaker (13), Fryman (14).

Kansas City 220 000 020—4 13 1
Cleveland 000 110 011—4 12 0
Appier, Montgomery (9) and Mayne; Nichols, York (6), Olin (9) and Skinner. W—Appier, 8-7. L—Nichols, 1-9. Sv—Montgomery (22). HR—Cleveland, Whiten (6).

Baltimore 000 021 000—3 5 0
Chicago 000 000 000—0 8 0
McDonald, Flanagan (6), Williamson (8), Poole (8), Olson (9) and Melvin; Fernandez, Patterson (7) and Fisk. W—McDonald, 5-5. L—Fernandez, 5-8. Sv—Olson (23).

Texas 006 120 213—15 18 0
Milwaukee 100 000 000— 1 6 0
Bohanon, Jefferat (8) and Rodriguez. Stanley (8); Navarro, Crim (3), Holmes (6), Nunez (8) and Dempsey. W—Bohanon, 1-0. L—Navarro, 8-9. HRs—Texas, Palmeiro (18). Reimer (6), Buechele (16).

Minnesota 001 000 000—1 7 0
Oakland 001 100 01x—3 5 1
Morris and Harper; Welch and Steinbach. W—Welch, 9-6. L—Morris, 13-8.

Seattle 200 100 010—4 9 1
California 000 200 100—3 9 1
Holman, Swan (6), Jackson (7), Murphy (9), Schooler (9) and Valle; Abbott, Eichhorn (9) and Parrish. W—Jackson, 5-4. L—Abbott, 9-8. Sv—Schooler (2). HRs—Seattle, Buhner (18). California, Goetti (12), Winfield (20).

NATIONAL LEAGUE

San Diego 005 202 202—13 19 0
Atlanta 010 101 000— 3 10 2
Hurst, Melendez (6) and Santiago, Bilardello (8); Leibrandt, Clancy (5), Mahler (6), Petry (7), Berenguer (9) and Olson. W—Hurst, 13-5. L—Leibrandt, 9-10. HRs—San Diego, Teutel (4), Jackson (11).

San Francisco 303 000 300—6 8 0
Cincinnati 120 200 00x—5 9 0
Black, Beck (4), Hickerson (5), Downs (6), Brantley (8) and Manwaring; Myers, Power (7), Charlton (9) and Oliver. W—Myers, 5-8. L—Black, 8-9. Sv—Charlton (1). HRs—San Francisco, Mitchell (21). Cincinnati, Larkin (16), Oliver (5).

Pittsburgh 020 000 100—3 6 1
St. Louis 000 000 202—4 5 1
Z. Smith, Belinda (8) and LaValliere; DeLeon, Carpenter (9), McClure (9) and Pagnozzi. W—McClure, 1-4. L—Belinda, 3-3. HR—Pittsburgh, Bonds (17).

Philadelphia 100 110 101 01—6 12 0
Montreal 001 101 110 00—5 10 0
(11 innings)
Cox, Ritchie (7), Boever (8), M. Williams (9), Hartley (11) and Daulton, Lake (9); De. Martinez, Ruskin (8), Jones (8), Fassero (9), Rojas (11) and Hassey, Reyes (8). Fitzgerald (10). W—M. Williams, 2-3. L—Rojas, 0-3. Sv—Hartley (2). HRs—Philadelphia, Thon 2 (6). Montreal, Barberie 2 (2), Walker (10). Calderon (13).

Chicago 000 101 000 2—4 11 1
New York 000 101 000 0—2 8 2
(10 innings)
Bielecki, McElroy (7), Assenmacher (9) and Wilkins; Ojeden, Burke (8), Pena (10), Innis (10) and O'Brien, Cerone (10). W—Assenmacher, 4-4. L—Pena, 6-1. HR—Chicago, Sandberg (17).

Los Angeles 000 130 112—8 12 1
Houston 052 000 002—9 9 1
Oleda, Gott (3), Crews (5), McDowell (7), Howell (9), Candelaria (9) and Scioscia; Jones, Schilling (7), Osuna (7), Wilkins (9) and Biggio. W—Wilkins, 1-0. L—Howell, 0-3. HRs—Los Angeles, Strawberry (14). Houston, Cedeno (11).

Saturday's Line Scores

AMERICAN LEAGUE

Toronto 000 000 001—1 7 0
Boston 201 001 00x—4 8 0
Wells, Weathers (6) and Borders; Hesketh, Reardon (8) and Pena. W—Hesketh, 5-2. L—Wells, 12-6. Sv—Reardon (25). HRs—Boston, J. Clark (18). Rivera (7).

Minnesota 000 000 071—8 12 0
Oakland 101 011 110—5 10 0
West, Bedrosian (6), Leach (8), Guthrie (8), Aguilera (8) and Harper; Slusarski, Klink (8), Campbell (8), Honeycutt (9) and Steinbach. W—Bedrosian, 4-2. L—Klink, 8-3. Sv—Aguilera (28). HRs—Minnesota, Mack (13). Harper (6). Oakland, D. Henderson 3 (22), Canseco (29), McGwire (16), Baines (14).

Kansas City 100 000 000—1 7 0
Cleveland 001 000 20x—3 10 0
Gubicza, Gordon (7), Gardner (8) and Spehr; Swindell and Skinner. W—Swindell, 7-9. L—Gordon, 7-10.

Baltimore 420 000 000—6 13 0
Chicago 001 001 010—3 9 0
Milacki, Flanagan (8), Olson (9) and Holles; McDowell, Pall (3), Drahman (6), Radinsky (8), Thigpen (9) and Fisk. W—Milacki, 7-5. L—McDowell, 13-6. Sv—Olson (24). HR—Chicago, Thomas (21).

New York 101 100 020—4 10 0
Detroit 001 001 02x—3 10 1
J. Johnson, Leary (3), Guetterman (7), Hayban (8) and Nokes; Gullickson, Gibson (8), Henneman (8) and Allanson. W—Gullickson, 14-6. L—J. Johnson, 4-4. Sv—Henneman (17). HRs—New York, Maas (15). Detroit, Whitaker (14).

Texas 000 200 020—14 16 1
Milwaukee 020 000 300— 5 7 5
Jo. Guzman, Rosenthal (7), Rogers (9) and Rodriguez, Stanley (5). Petralli (6); Wegman, Machada (1), Plesac (4), Henry (8), Dempsey (9) and Surhoff. W—Jo. Guzman, 7-4. L—Wegman, 6-6. HRs—Texas, Gonzalez (18). Reimer (7).

Seattle 020 003 003—9 12 2
California 001 000 200—3 6 1
Johnson, Swift (8) and Bradley, Valle (8); McCaskill, Bailes (6), Robinson (8) and Parrish. W—Johnson, 10-7. L—McCaskill, 8-14. Sv—Swift (10). HRs—Seattle, Davis (10). Buhner (19), Griffey Jr. (13).

NATIONAL LEAGUE

Pittsburgh 110 201 000 0—5 8 2
St. Louis 011 101 010 1—4 15 2
(10 innings)
Drabek, Kipper (7), Patterson (9) and LaValliere; Prince (6); B. Smith, Terry (7), L. Smith (9) and Pagnozzi. W—L. Smith, 6-2. L—Patterson, 1-1. HRs—St. Louis, Thompson (3), Zeile (8).

San Francisco 300 103 300—7 6 1
Cincinnati 000 003 000—3 9 0
Burkett, Oliveres (8), Rignetti (9) and Kennedy; Armstrong, Minutelli (6), M. Hill (8) and Reed. W—Burkett, 8-5. L—Armstrong, 6-10. HRs—San Francisco, W. Clark (21), Mitchell (22). Mo. Williams (22). Boss (7).

San Diego 100 000 020—3 7 1
Atlanta 000 000 011—2 5 2
Benes, M. Maddux (7), Lefferts (9), Andersen (9) and Santiago; Glavine, Freeman (8) and Olson. W—Benes, 6-10. L—Glavine, 14-6. Sv—Andersen (6). HRs—San Diego, Gwynn (3). Atlanta, Gant (21).

Chicago 012 301 110—9 13 3
New York 200 000 000—2 6 1
Dn. Jackson, Scanlan (4) and Wilkins; Viola, Innis (5), Simons (8) and Cerone. W—Scanlan, 4-5. L—Viola, 11-8. HRs—Chicago, C. Walker (3), Sandberg (18).

Philadelphia 024 000 001—7 7 0
Montreal 000 000 010—1 7 3
Greene, Boever (8) and Lake; Barnes, Wainhouse (8) and Reyes. W—Greene, 8-4. L—Barnes, 2-4. HRs—Philadelphia, Murphy (13). Montreal, Da. Martinez (4).

Los Angeles 100 000 000 2—3 7 2
Houston 010 000 000 1—2 8 0
(10 innings)
Morgan, J. Howell (10), Candelaria (10) and Scioscia; Bowen, Schilling (8), Wilkins (10) and Servais, Biggio (8). W—Wilkins, 2-0. L—J. Howell, 4-4.

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Chunichi	48	31	1	.606	—
Yakult	49	36	1	.576	2
Hiroshima	40	33	1	.547	5
Yomiuri	48	42	0	.533	5½
Taiyo	36	48	1	.429	14½
Hanshin	25	56	0	.309	24

Saturday's Results

Chunichi 15, Hanshin 3
Taiyo 4, Yakult 0
Hiroshima 8, Yomiuri 7, 13 innings

Sunday's Results

Taiyo 7, Yakult 1
Hanshin 2, Chunichi 1
Yomiuri 4, Hiroshima 2

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Kintetsu	51	31	2	.619	—
Seibu	51	32	2	.612	½
Nippon Ham	42	41	2	.506	9½
Orix	39	45	2	.465	13
Daiei	37	45	0	.463	13
Lotte	27	55	0	.329	24½

Saturday's Results

Seibu 8, Daiei 0
Lotte 5, Kintetsu 4, 10 innings
Nippon Ham 6, Orix 2

Sunday's Results

Kintetsu 12, Lotte 9
Daiei 6, Seibu 1
Orix 10, Nippon Ham 4

SOCCER

GERMAN FIRST DIVISION

VfL Bochum 2, FC Cologne 2
MSV Duisburg 1, VfB Stuttgart 0
Bayer Leverkusen 1, Borrussia Moench. 0
Dynamo Dresden 0, FC Kaiserslautern 1
Schalke 0, Hamburger SV 0
Fortuna Duesseldorf 1, Eintracht Frankfurt 2
Hansa Rostock 4, FC Nuremburg 0
Werder Bremen 1, Bayern Munich 1
Karlsruher SC 2, Borussia Dortmund 2
Stuttgarter Kickers 3, Wallenscheld 0

FRENCH FIRST DIVISION

Caen 1, Auxerre 0
Rennes 1, Marseille 2
Paris St Germain 1, Le Havre 1
Sochaux 1, St Etienne 0
Metz 4, Toulouse 0
Toulon 0, Nantes 2
Lille 2, Nancy 1
Nimes 0, Lens 2
Lyon 1, Montpellier 0

Standings: Marseille 7 points; Monaco, Metz, Le Havre and Caen 6; Auxerre, Lille, Nantes and Lens 5; St Etienne, Paris St Germain, Lyon and Toulouse 4; Nancy and Sochaux 3; Cannes and Nimes 2; Montpellier 1.

PAN AM GAMES

MEDALS THROUGH SATURDAY

	G	S	B	Total
Cuba	6	3	2	11
United States	1	3	3	7
Canada	2	2	2	6
Mexico	1	1	2	4
Brazil	0	1	0	1
Argentina	0	0	1	1

SATURDAY'S RESULTS

BASKETBALL

Men

U.S. 92, Cuba 88
Puerto Rico 95, Canada 77

Women

U.S. 87, Canada 70
Cuba 93, Argentina 47

CANOE-KAYAK

Men's Canoe

500 singles—1. Armando Silega, Cuba, 1 minute, 57.87 seconds; 2. Paul Pageau, Canada, 1:58.14; 3. Jose Ramon Ferrer, Mexico, 2:00.26.

500 doubles—1. Juan Antonio Abalil and Fernando Machado, Cuba, 1:45.46; 2. Juan Martinez and Alfredo Morales, Mexico, 1:50.53; 3. Gavin Maxwell and James O'Leary, Canada, 1:52.26.

Men's Kayak

500 singles—1. Angel Perez Medina, Cuba, 1:48.55; 2. Michael Herbert, U.S., 1:41.17; 3. Scott Kerrison, Canada, 1:45.00.

500 doubles—1. Perez Medina and Luis Fernandez Remon, Cuba, 1:35.26; 2. Mark Hamilton and Peter Newton, U.S., 1:35.86; 3. Mauricio Vergouven and Jose Luis Morella, Argentina, 1:38.41.

500 fours—1. Cuba, 1:25.28; 2. Canada, 1:27.01; 3. U.S., 1:28.09.

Women's Kayak

500 singles—1. Corrina Kennedy, Canada, 2:02.46; 2. Tatiana Valdes, Cuba, 2:03.49; 3. Megan Duffy, U.S., 2:10.81.

500 doubles—1. Tessa DeSouza and Kennedy, Canada, 1:48.59; 2. Valdes and Mirtenis Aguileras, Cuba, 1:49.28; 3. Sharon Attlesey and DeAnne Hemmens, U.S., 1:51.91.

DIVING

Men's 3 Meter Springboard, Final

1. Kent Ferguson, U.S., 650.52 points; 2. Mark Bradshaw, U.S., 644.88; 3. Jose Mandrazon, Mexico, 638.70.

FIELD HOCKEY

Men

U.S. 2, Trinidad 0
Chile 3, Guyana 1
Barbados 3, Cuba 2
Venezuela 2, Jamaica 2

SOFTBALL

Men

Bahamas 5, Panama 4
Canada 8, Mexico 0
Dominican Republic 11, Aruba 1
U.S. 3, Antilles 0

Women

Puerto Rico 4, Nicaragua 0
Venezuela 1, Canada 0
U.S. 4, Antilles 0
Cuba 4, Bahamas 3

TRACK AND FIELD

Men

Marathon—1. Alberto Cuba, Cuba, 2 hours, 19 minutes, 27 seconds; 2. Jose Santana, Brazil, 2:19:29; 3. Rodomes Gonzalez, Cuba, 2:23:05.

Women

Marathon—1. Olga Avalos, Mexico, 2:43:36. 2. Maribel Durruty, Cuba, 2:46:04; 3. Emperatriz Wilson, Cuba, 2:48:48.

FOOTBALL

NFL Preseason Games

Friday's Results

Detroit 24, Cincinnati 20
Denver 10, Indianapolis 3

Saturday's Results

San Francisco 21, Chicago 7
Green Bay 28, New England 7
New Orleans 18, Minnesota 3
Atlanta 38, L.A. Rams 17
Philadelphia 24, N.Y. Jets 10
Dallas 24, Kansas City 14
San Diego 31, Houston 29
Miami 19, L.A. Raiders 17
Phoenix 31, Seattle 13

Canadian League

EASTERN DIVISION

	W	L	T	PF	PA	Pts
Toronto	3	1	0	147	104	6
Winnipeg	2	2	0	88	84	4
Hamilton	0	4	0	54	137	0
Ottawa	0	4	0	98	129	0

WESTERN DIVISION

Calgary	4	0	0	150	101	8
Brit Clmb	3	1	0	149	139	6
Edmonton	3	1	0	164	114	6
Saskitchwn	1	3	0	129	152	2

Friday's Results

Winnipeg 24, Ottawa 19
Calgary 21, Hamilton 11

TENNIS

ATP PHILIPS HEAD CUP

In Kitzbuehel, Austria

Quarterfinals

Karel Novacek, (30, Czechoslovakia, def. Horst Skoff (5), Austria, 7-5, 0-6, 7-5; Francisco Clavet (7), Spain, def. Markus Zoller, Germany, 6-2, 6-3; Magnus Gustafsson (4), Sweden, def. Thierry Champion (12), France, 4-6, 6-3, 6-1; Martin Jaite (8), Argentina, def. Emilio Sanchez (7), Spain, 6-3, 3-6, 6-3.

Semifinals

Novacek def. Clavet, 6-3, 6-7 (2-7), 6-2; Gustafsson def. Jaite, 6-2, 6-2.

U.S. PRO CHAMPIONSHIP

In Newton, Massachusetts

Quarterfinals

Tobias Svantesson, Sweden, def. Eric Amend, U.S., 6-2, 6-4; Jimmy Arias (5), U.S., def. Ronald Agenor (4), Haiti, 7-6 (8-6), 6-3; Andres Gomez (7) Ecuador, def. Andrei Medvedev, Soviet Union 6-1, 6-7 (11-13), 6-3; Andrei Cherkasov (1), Soviet Union, def. Jim Grabb, (8) U.S. 6-3, 6-1,

Semifinals

Gomez def. Svantesson, 4-6, 7-6 (7-5), 6-4; Arias vs. Cherkasov, susp., rain.

VOLVO TOURNAMENT

In Los Angeles

Quarterfinals

Stefan Edberg (1), Sweden, def. Aaron Krickstein (7), U.S., 6-4, 7-5; Brad Gilbert (4), U.S., def. Steve Bryan, U.S., 6-1, 6-3; Stefano Pescosolido, Italy, def. Scott Davis, U.S., 7-6 (7-5), 6-3; Pete Sampras (2), U.S., def. Amos Mansdorf (8), Israel, 6-3, 6-4.

Semifinals

Gilbert def. Edberg, 7-6 (7-2), 6-7 (1-7), 6-4; Sampras def. Pescosolido, 6-3, 6-1.

CYCLING

Results of the 234.5-kilometer Wincanton Classic cycle race on Sunday in Brighton, Britain:

1. Eric Van Lancker, Belgium, 6 hours, 16 minutes, 5 seconds.
2. Rolf Golz Germany, :29 seconds behind;
3. Jan Goessens, Belgium, 0.44 behind;
4. Gilles Delion, France, same time;
5. Maurizio Fondriest, Italy, s.t.;
6. Steven Rooks, Netherlands, s.t.
7. Marc Madiot, France, s.t.
8. Luc Leblanc, France, s.t.
9. Claudio Chiappucci, Italy, s.t.
10. Frans Maassen, Netherlands, s.t.

Leading World Cup overall standings (after six rounds):

1. Rolf Sorensen, Denmark, 68 points;
2. Edwig Van Hoovdonck, Belgium, 56;
3. Frans Maassen, Netherlands, 55;
4. Marc Madiot, France, and Fondriest, 54;

TRANSACTIONS

BASEBALL

American League

CALIFORNIA—Purchased the contract of Mike Marshall, first baseman-outfielder, from Palm Springs, California League. Optioned Floyd Bannister, pitcher, to Palm Springs.

SEATTLE—Put Henry Cotto, outfielder, on 15-day disabled list. Recalled Alonzo Powell, outfielder, from Calgary, Pacific Coast League.

PDM Now Cites Bad Medicine

Agence France-Presse

PARIS — The illness that forced the Dutch PDM team to abandon the Tour de France was probably caused by the injection of an infected medicine, race organizers now say.

They quoted a report sent by the Belgian medical laboratory that PDM chose to analyze samples from its riders. The PDM team is top ranked in the world and includes Erik Breukink, who started as one of the Tour favorites.

The report said that the infection was probably caused by bacteria that had come from an infected medicine.

It said it could have been Intralipid, which the riders were given to help conserve energy. It is not on the list of banned drugs.

The report said that accusations that the riders might have been taking banned steroids were unfounded.

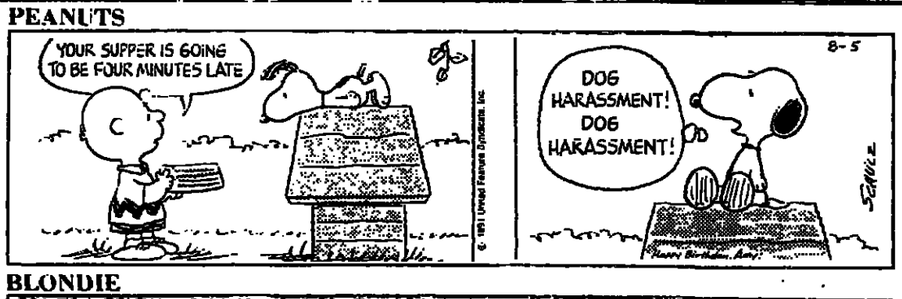
Tour organizers said they accepted the report and now "consider the affair closed."

During the Tour, it was announced that test results had shown PDM riders to have become ill from food poisoning. When the team withdrew, food poisoning also was suggested.

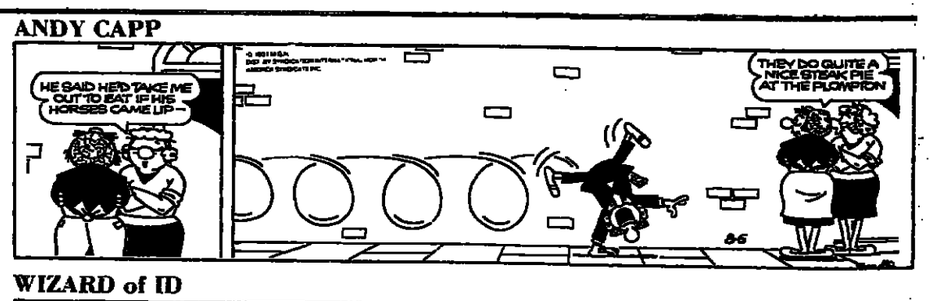
● Eric van Lancker of Belgium won the Wincanton Classic World Cup race on Sunday in Brighton, England. World Cup leader Rolf Sorensen of Denmark, making his comeback after breaking his collarbone in the Tour de France, retired with two of the nine laps remaining, but pronounced himself fit.

DENNIS THE MENACE

PEANUTS



ANDY CAPP



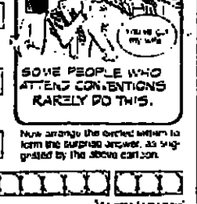
BLONDIE

WIZARD of ID

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

ENVOW
LEXEP
VACTAR
BYSMOL



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here:

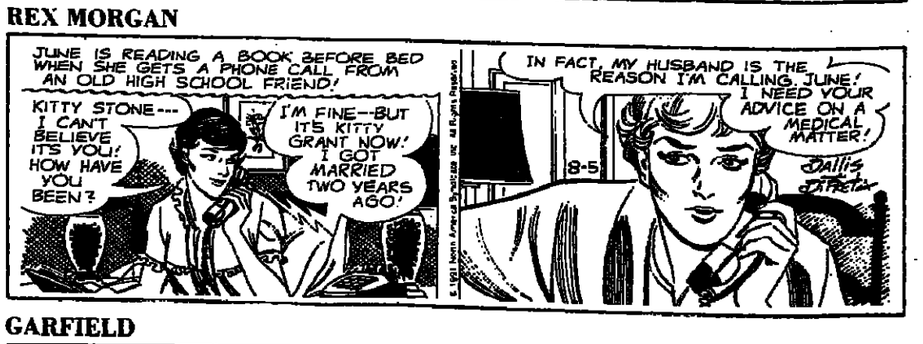
(Answers tomorrow)

Jumbles: HOUSE TRUST EVENTUAL PHYSIC

Answer: He ordered a bottle of this to the doctor, whether he needed this or not — THE SLEEP

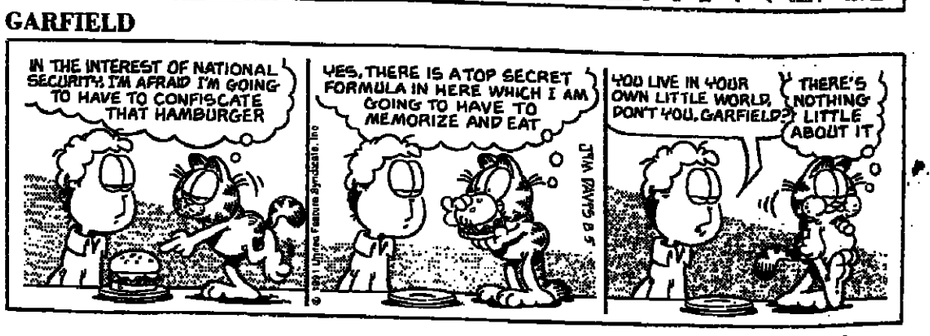
BEETLE BAILEY

REX MORGAN



DOONESBURY

GARFIELD



For investment information
read THE MONEY REPORT
every Saturday in the IHT

MONDAY SPORTS

For Cuba, Early Show Of Strength In Games

Compiled by Our Staff From Dispatches

HAVANA — President Fidel Castro of Cuba put sportsmanship before politics Sunday to present a gold medal to a U.S. kayaker at the Pan-American Games as the host nation swept up five more golds.

Midway through the second day of the competition, Cuba topped the medal table with a total of 18, 11 of them golds. The U.S. had won three golds and Canada had two.

Castro paid a surprise visit to the reservoir where Cuban canoeists Saturday shattered U.S. dominance of the canoeing and kayaking and won five events.

They did it again on Sunday, powering to victory in the men's 1,000-meter single canoe, the 1,000-meter canoe and kayak doubles and the women's 500-meter team kayak event.

But in Sunday's first event, the men's 1,000-meter kayak, American Mike Herbert beat Cuba's Angel Perez. Castro gave the gold medal and gave a military salute when the American flag was presented.

"Mentally, I'm still a sportsman," said Castro. "Physically, I used to be." *(Reuters, AP)*

■ **Struggle in Basketball**

Earlier, Christine Brennan of The Washington Post reported:

Twenty-four hours after landing in Cuba, the U.S. men's basketball team found itself in trouble.

This collection of college all-stars was standing on the hardwood court of the Sports City Coliseum, under the watchful eye of Che Guevera on a mural near the ceiling, playing the home team in front of a boisterous, flag-waving, capacity crowd of about 12,000.

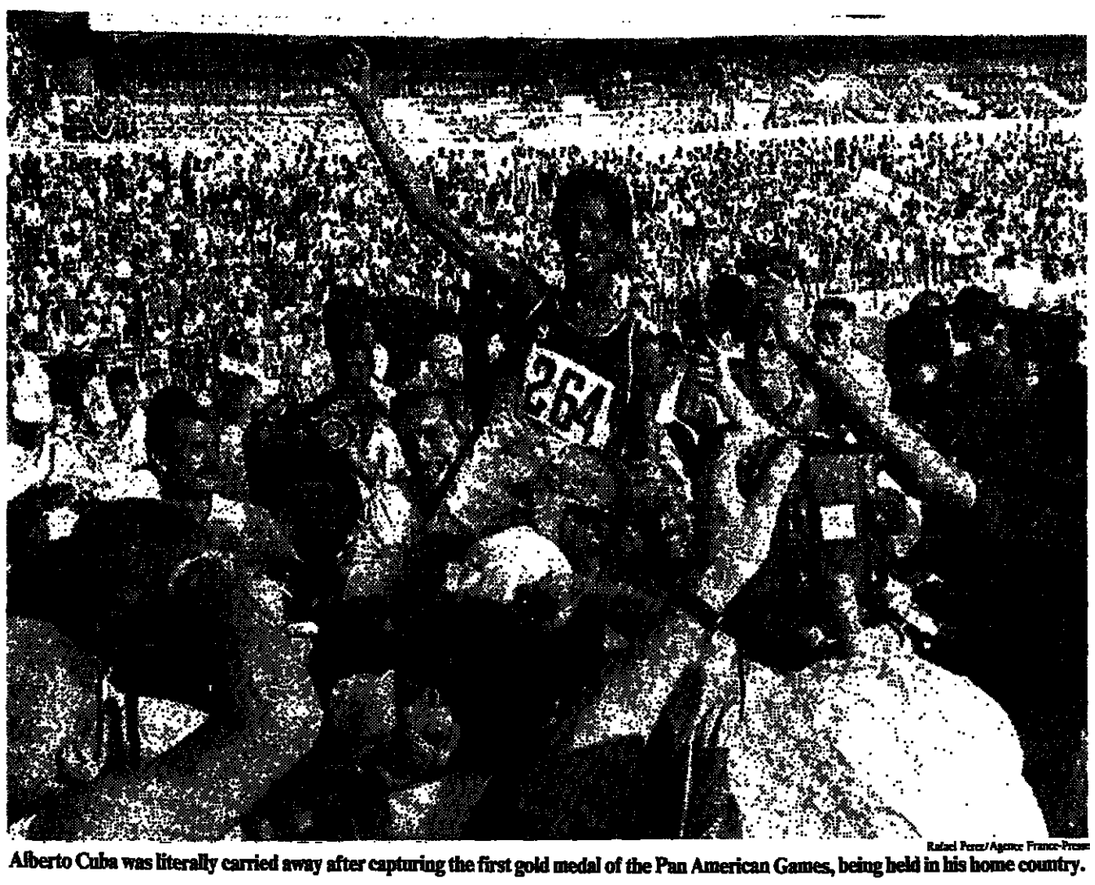
"It would have been a great time to get us," Gene Keady, the U.S. coach, said later with a sigh.

Somehow, the United States survived, coming back from a nine-point first-half deficit, building a 14-point second-half lead, then holding on for a sloppy, 92-88 victory on Saturday night.

"We realize as a team that every year, any team can beat the United States and have it be the biggest thing they've ever done," said Christian Laettner, the Duke center who had 19 points.

More and more teams are having that experience. At three international competitions over the past four years — the 1987 Pan Am Games, the 1988 Olympics and the 1990 Goodwill Games — American men have not won the gold.

Led by Ohio State's Jim Jackson, who scored a team-high 22 points, and Laettner, who opened things up inside for the United States, the Americans finally took the lead for good, 55-54, with 16:45 remaining. Three times they stretched it to 14 points.



Rafael Perez/Agence France-Presse

Alberto Cuba was literally carried away after capturing the first gold medal of the Pan American Games, being held in his home country.

In the Long Run, Truly Cuba's Victory

By George Vecsey
New York Times Service

HAVANA — The father agreed that it was a happy coincidence that a man named Cuba should win the marathon, the first event of the current Pan American Games.

When asked how long the family has had that name, he was glad to explain in Spanish:

"We are the fourth generation named Cuba. Before that, we were slaves. My grandfather was liberated in the last century, and that is when we got our name."

He did not know his family name before that. He pointed to his dark skin and said he assumed it was African.

Slavery is very much on the minds of Cubans, reminded of their past affiliations with Spain, with the United States, with the Soviet Union.

Vantage Point

They are now, more or less, going their own way out here in the ocean, and doing their dignified best to show they can run a competent Pan American Games.

The father of the marathon winner was not the only man talking of slavery. The taxi driver on the way out to Olympic Stadium was conducting a minor tour for a gringo spending his first hours in Cuba.

POINTING AT Morro Castle, he said: "It was built by the Spanish. Well, it was built by the slaves and the Spanish."

Reminding themselves of history, putting up signs that proclaim "Somos Felices Aqui" ("We Are Happy Here") and surely knowing the hostilities in the U.S.-Cuban community only 90 miles (145 kilometers) away in south Florida, the islanders were surely pleased that the first runner Saturday was a factory worker named Alberto Cuba Carrero.

He made his country proud, this Alberto Cuba, running a highly respectable time of 2 hours 19 minutes 27 seconds in a race that began in darkness and finished in a broiling sun on Saturday. The crowd did not mind that a Cuban man finished third.

The stadium, open to all free of charge, was only half filled at around 8:45 A.M. when he came through the tunnel, but everybody stood and chanted the name of the man and the name of the country: "Coo-ba! Coo-ba! Coo-ba!"

Cuba had been far ahead, but José Carlos Santana of Brazil kept nipping at him, even within the stadium. But, Cuba said, "When I heard 'Cuba! Cuba! Cuba!' it made me feel good," enough to win by two seconds.

Then a huge crowd engulfed him and somebody put a flag in his hands and told him to take a victory lap "for the revolution."

THE REVOLUTION is more than 30 years old now, in some ways as weary as Fidel Castro's admission that the country cannot afford this kind of fun and games, committed to five years ago when the Soviets were their pals.

But talk of the revolution keeps people going and puts the flag in the hands of a man who has just run 26 miles 385 yards (42 kilometers), and spurs him to jog yet another 440 yards.

Fourteen family members were allowed to rush onto the track to celebrate. The father has worked in construction for the last 18 years, including the building of the athletes' village, which will be turned into workers' apartments.

But the family will not move into the new complex because its apartment in the Nuevo Vedado neighborhood has accommodated the parents and six children, one of them a runner with the quite Russian name of Alexis.

Alberto Cuba is now the best-known member of the family. He still works in an electronics factory on occasion, but is also free to train with the national team.

He switched to the marathon only last year "because my coach told me that 28 was a good age to start." He won a marathon here in January, finished 48th in the London Marathon in April and got the Games off right.

His sister, Adela, said that Alberto was fat as a child and that he still eats considerable amounts of fried potatoes and fried bananas. But he runs 12 to 20 miles on some training days, and now he is a wiry 57 kilograms (125 pounds), minus several top teeth.

THE FAMILY was planted all over the course, which roamed the hills and the expensive new sports venues and the handsome old colonial buildings painted gaudy colors to make the faded city look good on television.

There was nothing cosmetic about the first gold medal of the games, although it is true many world-level runners were saving themselves for the world championships in Tokyo.

Still, a gold medal is a gold medal, and this one, when officially presented Sunday, would not remain in the Cuba apartment.

"I will dedicate this medal to the people who built these complexes," Cuba said softly. "They worked very hard, and they deserve it. Also, I will give this medal to the commander in chief."

Asked to clarify if he meant he would "dedicate" or "give" his medal to Castro, Cuba said firmly: "I will give it to him. His birthday is Aug. 13." The offer sounded sincere, befitting a man with the same name as his country.

Henke's 23d Save in Row Is Blue Jays' Salvation

Compiled by Our Staff From Dispatches

John Olerud doubled home the tie-breaking run in the eighth inning and Tom Henke tied a save record as Toronto salvaged the finale of a three-game series with a 2-1 victory over the Red Sox in Boston.

Olerud lined a shot off the center-field wall with two outs. The play came after third baseman Steve Lyons, filling in for Wade Boggs (back trouble), had problems getting the ball out of his glove and managed only a force on Joe Carter's potential double-play grounder.

Henke pitched the ninth for his 23d save. He has not blown a save chance since the final game of the 1990 season, and being perfect in 23 save opportunities tied the major league record set by John Franco in 1988.

White Sox 1, Orioles 0: Frank Thomas went three for three with a home run and two doubles, and Charlie Hough pitched a five-hitter in Chicago.

Hough worked out of jams in the seventh and eighth innings. It was his first shutout since April 4, 1989, when he was a Texas Ranger.

The Orioles put runners at second and third with two in both the seventh and eighth. Hough got Bob Melvin to pop out to second to end the seventh, then in the eighth made the out himself when Dwight Evans sent a line drive back to the mound.

Royals 2, Indians 0: Bret Saberhagen pitched a three-hitter for his first shutout since 1989 as Kansas City won in Cleveland.

Gary Thurman drove in both runs for Kansas City, which has won four of five and 11 of its last 14 games. Cleveland was shut out for the 14th time this year.

The shutout was Saberhagen's first since Sept. 26, 1989. He had four shutouts that season as he won the Cy Young Award. *(AP, UPI)*

■ *In games Saturday, The Associated Press reported:*

Twins 8, A's 6: Brian Harper's three-run homer capped a seven-run rally in the eighth inning and visiting Minnesota withstood Dave Henderson's three home runs to win in the AL West, a division in which every team is at least at .500. That has not happened in a division in baseball since August 1986, when the AL East accomplished it.

Red Sox 4, Blue Jays 1: Joe Hesketh shut out Toronto for 7⅓ innings in Boston and reliever Jeff Reardon escaped a bases-loaded jam in Fenway Park.

Hesketh left in the eighth with a 4-0 lead after issuing his only two walks of the game. Reardon relieved and after Roberto Alomar beat out an infield hit that loaded the bases, Joe Carter flied out to center field to end the eighth.

Orioles 6, White Sox 3: Jack McDowell's rock group gave a concert earlier in the day in Chicago, but

AMERICAN LEAGUE

it was the Orioles who did a number on the White Sox right-hander.

McDowell, who is the lead singer and plays the guitar for a group called V. I. E. W., gave up 10 hits and six runs in two-plus innings in his worst outing of the season. Cal Ripken led the way against McDowell with two run-scoring doubles.

Indians 3, Royals 1: In Cleveland, Greg Swindell pitched a seven-hitter and Alex Cole atoned for a defensive gaffe by scoring the go-ahead run on a passed ball in the seventh.

Cole, who had let Brian McRae score from second base on a sacrifice fly in the first inning, started the Indians' two-run seventh with an infield single off reliever Tom Gordon.

Rangers 14, Brewers 5: Rafael Palmeiro had two singles and drove in two runs for Texas during an eight-run first inning in Milwaukee.

Catcher Rick Dempsey was Milwaukee's fifth pitcher, walking one but giving up no hits in the ninth.

Tigers 7, Yankees 6: Lloyd Moseby's two-run double highlighted a five-run first inning in Detroit.

Mariners 9, Angels 3: Randy Johnson struck out 11 to take over the AL lead as Seattle won in Anaheim, California. The strikeouts gave Johnson 159.

Pirates End 8-Game Tailspin

Compiled by Our Staff From Dispatches

John Smiley pitched a five-hitter, and shortstop Ozzie Smith's throwing error in the sixth inning allowed the winning run to score as the Pittsburgh Pirates ended an eight-game losing streak with a 2-1 victory over the Cardinals on Sunday in St. Louis.

The losing streak was the longest since 1985 for Pittsburgh, whose National League East lead had shrunk to 4½ games over St. Louis.

Smith's fifth error of the season gave the Pirates the go-ahead run in the sixth. With runners on first and second and one out, Smith took a throw at second on Gary Varsho's grounder, then spun and threw the ball over the head of third baseman Todd Zeile in an attempt to catch Orlando Merced off the bag and Merced scored easily.

Phillies 3, Expos 2: Dale Murphy doubled home Lenny Dykstra in the 10th inning in Montreal, helping Philadelphia win its sixth straight.

Dykstra had hit a one-out single in the 10th against Jeff Fassero and had stolen second. Murphy followed with a double down the left-field line to bring home Dykstra.

Braves 9, Padres 7: Ron Gant had four hits, including a three-run homer in a six-run first inning, as Atlanta won at home.

Francisco Cabrera, who had three hits and drove in four runs, and Gant keyed the big first with home runs off Dennis Rasmussen (3-9), who has lost eight straight.

● In Houston, the Astros com-

NATIONAL LEAGUE

pleted their second triple play of the season in the fifth inning Sunday against Los Angeles. After singles by Mike Sharperson and Stan Javier, Alfredo Griffin hit a fly ball that was caught by right fielder Mike Simms. Sharperson tagged up on the play and was tagged out by third baseman Ken Caminiti after a throw from Simms. Javier headed to second, but was tagged out by shortstop Andujar Cedeno after a throw from Caminiti. *(AP, UPI)*

■ *In Saturday's games, The Associated Press reported:*

Cardinals 6, Pirates 5: Todd Zeile led off the 10th inning in St. Louis with a home run as the Cardinals sent the Pirates to their eighth straight loss.

Cubs 9, Mets 2: Chico Walker homered and drove in three runs in Shea Stadium.

Phillies 7, Expos 1: Tommy Greene, who threw a no-hitter in Olympic Stadium in May, pitched seven shutout innings there this time and Dale Murphy moved into 25th place on the all-time home run list with his 391st.

Padres 3, Braves 2: Larry Andersen escaped a bases-loaded, no-out jam in the ninth inning in Atlanta, retiring Terry Pendleton on a force play at the plate, getting Ron Gant on a popup and striking out Tommy Gregg.

Giants 7, Reds 3: Will Clark, Kevin Mitchell, Matt Williams and Kevin Bass all homered off Jack Armstrong as visiting San Francisco earned its 12th victory in 13 games.

The Reds placed outfielder Eric Davis on the 15-day disabled list, retroactive to July 31, saying he was suffering a chronic lack of energy. Davis said recently that he thinks his problems are a result of the severe kidney injury he suffered during the last World Series.

Astros 2, Dodgers 1: Rafael Ramirez got the winning hit off John Candelaria for the second straight game, this time with a pinch single in the 10th to lead Houston at home.

SIDELINES

Montgomerie Shoots a 67 To Beat Ballesteros by One

STOCKHOLM (UPI) — Briton Colin Montgomerie earned the biggest prize ever on the European PGA Tour on Sunday when he collected $167,000 after edging Seve Ballesteros by one stroke in the $1 million Scandinavian Masters.

Montgomerie shot a 5-under-par 67 in the final round to gain his second tour title. His total was 18-under 270.

Ballesteros closed with a 64, including birdies on the final three holes. Masters champion Ian Woosnam, the third round leader, faltered with a 73 to fall into a third-place tie at 272 with Sweden's Robert Karlsson, who shot 68.

North Korean Judo Champ Defects With Mystery Help

SEOUL (AP) — A North Korean judo champion arrived here Sunday after defecting through a third nation and was granted immediate political asylum in South Korea.

The defection comes only two weeks before rivals North and South Korea are to resume talks on fielding a joint team for the 1992 Olympics. The defection was likely to embarrass North Korea and could jeopardize the talks.

Li Chang Su, 24, arrived on a Korean Air plane from Vienna accompanied by security officials. He tried first to defect in Barcelona, site of the judo world championships, but was told to defect through an unnamed third nation to avoid embarrassment to Spain as it prepares to host the 1992 Olympics, he said.

Banned Canoeist Meets Press in No-Man's Land

HAPARANDA, Sweden (AFP) — South African canoeist Nico Viljoen showed up the Swedish authorities who tried to keep him out of their competition by winning a race, then holding a press conference in the middle of the river.

Viljoen seemed out of the race up the Torneaelven river, a natural border between Sweden and Finland, after Swedish immigration officials canceled his entry visa on Thursday. But Viljoen managed to win, then got his prize in the middle of the river Sunday.

Sweden allows South African athletes to compete within its borders if they are members of an internationally recognized sports association. The canoe federation only readmitted South Africa last week.

For the Record

American captain John Kolius held off a late challenge from a Japanese crew to steer Italian boat Mandrake to victory in an offshore leg of the Admirals Cup. In the race from Cowes, England, across the English Channel and back, the Japanese yacht Will finished less than two minutes behind Mandrak, which won the first race of the series on Thursday. *(AP)*

Florence Arthaud of France set a record for crossing the Mediterranean under sail, covering the 458 miles from Marseille to Carthage in 22 hours, 9 minutes, 56 seconds, bettering the old mark by 47 seconds. *(AFP)*

Tyson and Power's Rap Sheet

By Robert Lipsyte
New York Times Service

NEW YORK — When I was small, Joe Louis was the champ and Franklin D. Roosevelt was president. By the time I could read, they had both been hot-typed into media legend: The Brown Bomber was the role model for his race, humble, powerful and nonthreatening to whites, while FDR was the bold aristocrat who used his power for the little people.

They both adored their wives.

We know better now. Louis was psychologically disturbed, eventually institutionalized, perhaps because of the pressure of a double life. He was an abuser of alcohol, drugs and women of all colors.

Roosevelt abused his power and cheated on his wife. The false images were created for the supposed good of the country. We finally needed historians to tell us the truth, because journalists, mostly male and white, didn't want to jeopardize their access to the big-league locker rooms.

Seasons end but the games don't change. If Mike Tyson wasn't jamming his way onto front pages and TV screens in an orgy of self-destruction, we would never have this live account of how one of the biggest and the baddest thinks an American powerboy can act.

That is what it's about: naked power — what you can get away with because you're a big boy, because too many people are afraid of you and dependent on you and are hooked on a system of male entitlement that tolerates, if not encourages, a man forcing his way.

Presidents and champions who used women like Kleenex were merely exercising an aspect of power. They did it because they learned that they could. Sports has been a primary classroom for such lessons, especially the "manly" power sports of football and boxing.

Tyson may finally be in serious trouble. Sometime in the next few weeks, a grand jury in Indianapolis will investigate an allegation that last month he raped a contestant in the Miss Black America beauty pageant.

The jury could presumably decide to charge him with the crime by Labor Day. Tyson is scheduled to meet Evander Holyfield in Las Vegas on Nov. 8 for the heavyweight championship of the world, the manliest nonelective office.

Consider the following notes of a born-again sports-writer still trying to figure it all out. It is not a psycho-history of major league sexual abuse; neither is it an advance conviction of Tyson nor an apology for his behavior.

Tyson has been streaking wildly for several years now, bullying and intimidating men and women on the street, crashing cars. His life has become a rap song without reason or rhythm.

Even if his current problems — the Indianapolis story includes an allegation from last year's pageant winner that he sexually harassed her during a photo opportunity — are all a cry from the heart, an attempt to declare spiritual bankruptcy, even to break free of Don King, the convicted killer who controls Tyson's boxing career, there can be no justification for rape.

If he is guilty, he should be, as none other than the Reverend George Foreman recently declared, "put in a cage."

But if you think that Tyson is just a street kid who got too big too quick and then lost it, you have not been paying attention. This is how we condition our sports heroes and, by extension, so many political and business leaders brought up on the varsity syndrome of winner take all, winning at any cost, violence as a tool, aggression as a mark of masculinity.

In a recently published book, "Boys Will Be Boys: Breaking the Link Between Masculinity and Violence" (Doubleday), Myriam Miedzian, a Columbia University scholar-in-residence, maintained that in the testosterone-high worlds of both football and national

COMMENTARY

security, men are rarely demoted or even chastised for their mistakes if they emerge from a zeal for overkill.

In a recent conversation Miedzian was even more specific about football players. "They are taught to hurt people," she said. "Empathy has been knocked out of them. If they don't see the guy across the line as a human being, how can they see a woman as a human being? As long as you rear boys to be tough, dominant, in charge, they simply won't be prepared for contemporary women."

American boys are primarily reared not to be girls, and the sports anecdotes supporting that are clichés, from Little League coaches exhorting 9-year-old boys to be "men out there" to Coach Bob Knight leaving sanitary napkins in the lockers of his Indiana players to make them more aggressive.

Women are moms, wives, cheerleaders, groupies, in this view, the camp followers of sport. Zeke Mowatt's

When Joe Louis asked Lena Horne, with whom he was then having a relationship, to keep score for him at a Hollywood golf benefit, the singer refused — she was entertaining troops that day. Joe hit her with a left hook.

crudity to a woman reporter in the New England Patriots' locker room was at once an inexcusable — and possibly actionable — response, and also the understandable expression of so many men who think that women are part of the game's equipment. They are there only to serve.

When Joe Louis asked Lena Horne, with whom he was then having a relationship, to keep score for him at a Hollywood golf benefit, the singer refused — she was entertaining troops that day. Joe hit her with a left hook.

Then he started to choke her. In his 1978 autobiography, written with Edna and Art Rust Jr., Louis said that the only thing that saved Horne's life was an aunt in the next room who threatened to call the police. Louis was heavyweight champ at the time, enjoying brief matches with leading ladies.

Muhammad Ali's sexual adventures were so relentless, indiscriminate and indiscreet that they sometimes seemed less like traditional male "scoring" than the great man offering his body in the same generous spirit he posed for snapshots and signed autographs.

Ali's press entourage, overwhelmingly male, seemed variously to feel that strong men had strong appetites, that they would behave similarly with such sexual access or that a story about Ali's escapades would lose them access.

As it turned out, it wasn't until Ali held a gratuitous news conference explaining a mix-up in Manila in which his current traveling companion was mistakenly presented to Ferdinand Marcos as his current wife that reporters reluctantly unrolled the sexual thread of the Ali yarn.

By that time, of course, we had learned that one of our most swaggeringly macho presidents, John F. Kennedy, had done risky business in the White House, smuggling in girlfriends while his wife traveled.

Wilbert McClure, a Boston psychologist and a former Olympic gold-medal boxer, says he has never felt sympathy for the powerboys, particularly the athletic ones, because "they are on a gravy train of breaks and resources, and only their egos get in their way."

But he says he understands that they don't always fully know what they are doing. "That look of innocence when caught is sometimes real," McClure said. "Rules have not been applied to them. They have been allowed to take what they want. The worst part of it is the message they send to others."

Such as younger athletes, powerboys in training. In her well-regarded text "Fraternity Gang Rape: Sex, Brotherhood and Privilege on Campus" (New York University Press), Peggy Reeves Sanday of the University of Pennsylvania points out how frequently athletes are involved in group sexual misconduct.

It is something men rarely talk or write about, and women only recently. Sanday touches upon it briefly. Within this team behavior of group serial sex, called "pulling train," are intimations not only of anti-woman aggression and homophobia but a strand of homoerotic behavior. Within male sports, homosexuality is almost never mentioned.

It has been hard to deal with such subjects in any but the most traditional ways. In the 19th century, sports was exemplified by "muscular Christians." Theodore Roosevelt opened the 20th century with a call for the "strenuous life." Ernest Hemingway's "grace under pressure" was another shibboleth for boys will be boys.

Our best-known contemporary powerboy cheerleader, Norman Mailer, wrote: "Men who have lived with a great deal of violence are usually gentler and more tolerant than men who abhor violence. Boxers, bullfighters, a lot of combat soldiers, Hemingway heroes, in short, are always gentle men."

And the novelist Joyce Carol Oates seems to have picked up the cant with her observation that the difference between the male boxer and the male fan is so great as to cast them as members of a different species, a difference perhaps as great as the difference between most men and most women.

Oates saw Tyson as the extreme example of that ultra manhood, a prehistoric creature rising from a fearful crevice in our collective subconscious.

However you view him, there is no doubt that Tyson is a person on the edge, a psycho pup acting out, a fearsome yet fearful powerboy on a crash course.

He is traveling with the likes of Rory Holloway, an old neighborhood friend with whom he once shared, according to Jose Torres's 1989 biography of Tyson, 24 women in one night, and Don King, who now uses words like "racism" instead of fists to force his way.

Tyson was merchandised as the ultimate short-term powerboy, and as a ruthless tragic monster as well. But since he lost his heavyweight title, and his self-control, he has been dismissed as just another messed-up street boy with too much gold and not enough brains.

That's harsh and, I think, unfair. But he needs to grow up. Maybe not to be a man, but to be a human being.

No. 1 at Stake In Seles Return

Compiled by Our Staff From Dispatches

CARLSBAD, California — Monica Seles went into Sunday's finale of the Mazda Classic needing a victory over Jennifer Capriati to maintain her ranking as the world's No. 1 woman tennis player.

Seles advanced with a 6-1, 6-2 victory over Nathalie Tauziat on Saturday. Capriati routed Conchita Martinez, 6-4, 6-0.

Seles, who has been No. 1 since March 11, is playing in her first tour event since bypassing Wimbledon because of a leg injury. If she loses, Steffi Graf would move up.

Capriati and Seles are the youngest finalists in a women's event since the open era began in 1968. Capriati is 15 years 4 months, Seles is 17 years 8 months. *(AP, LAT)*

It's Giant Victory In Hambletonian

New York Times Service

EAST RUTHERFORD, New Jersey — Giant Victory captured the 66th edition of the Hambletonian, the most prestigious of all harness races, at the Meadowlands.

Driven by Jack Moiseyev, Giant Victory pulled away in the closing stages Saturday. He covered the mile (1.6 kilometers) in 1:55.

The son of Super Bowl, the last trotting Triple Crown winner, in 1972, Giant Victory finished three-quarters of a length ahead of MB Felty and UConn Don.

The Hambletonian is the middle leg of trotting's Triple Crown. The first leg, the Yonkers Trot, was won by Crowns Invitation, who was not nominated for the Hambletonian.

This year's Hambletonian underwent a major change. Instead of having to win two heats on the same day — a requirement the past 65 years — a horse simply had to qualify for the final heat and win it.

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Shhh! This Is the Magazine of Mortality

International Herald Tribune

LONDON — Westminster Abbey is the tomb of rulers, the site of coronations, the place where the great and the good and, occasionally, the humble (there is a stone to one of the abbey's plumbers) are remembered in statues and plaques: This great Magazine of Mortality, Joseph Addison called it in the 18th century.

With 3.5 million visitors a year, the abbey is also one of Britain's top tourist attractions, its altars

MARY BLUME

and catafalques daily enveloped by crowds following tour leaders who wave colored nylon umbrellas to keep strays in tow. "One of the problems is of course trying to remind tourists that they are in a church and not a museum," says the dean of Westminster, Michael Mayne.

This is a problem faced by many churches in need of tourist income. The saddest solution has been found by lovely Ely Cathedral, which has allowed corporations to advertise on its windows (it can be argued that this happened in the Middle Ages, too, but there is a difference between cordwainers' or fishermen's crests and Midland Bank's logo) and which now charges an entrance fee.

Westminster Abbey charges a fee only to visit its Royal Chapel but only last week a reader's letter in a London daily newspaper wondered how much longer, with the throngs of tourists, it will be possible to hold Christian services in the abbey and asked if it has not become simply a tourist attraction in which occasional archaic ceremonies are held.

The abbey, Dean Mayne replies, is first and foremost a house of prayer where the Eucharist is celebrated twice daily and where the day begins with morning prayer and ends with Evensong. He has done his best to remind tourists that they are in a functioning church.

"One way we try to do this is to have a duty priest in the abbey all day long for people to go to and consult, to counsel or whatever. And every hour on the hour the duty priest goes into the pulpit and asks everyone to be still and we bring everything to a halt with a brief prayer and the blessing so people are reminded that they are in a church building."

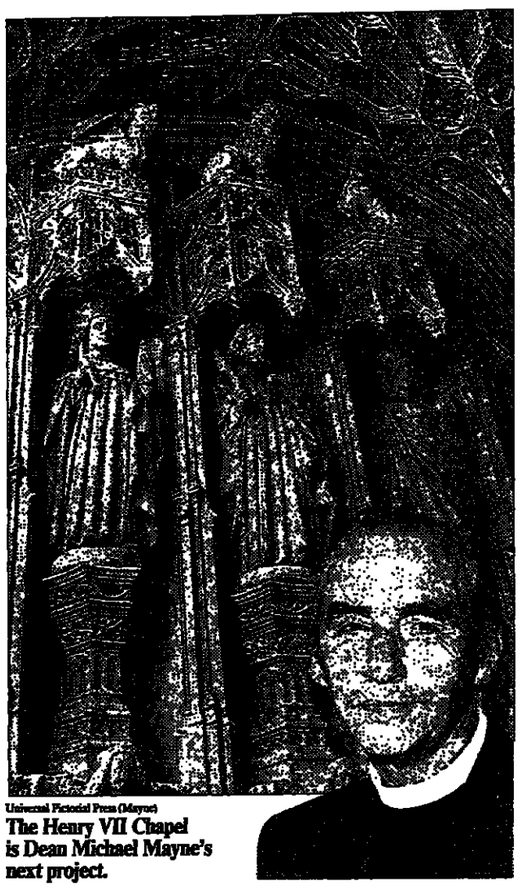
Another way is to have, near the tomb of the Unknown Warrior, the Amnesty Candle, lighted for a prisoner of conscience somewhere in the world. "We have the name of a particular person each week and we pray for that person every day." A recent subject was a newspaper editor from Tunisia, Hamadi Jebali.

Before he was named dean in 1986 by the queen, on the advice of the prime minister, Mayne was vicar of Great St. Mary's in Cambridge. Although he is a clergyman's son, he hoped for a stage career and his present position requires him not only to be a manager, fund-raiser and priest but also an impresario for special services such as the memorial to Lord Olivier. Last month he welcomed General H. Norman Schwarzkopf, a newly created Knight of the Order of the Bath, to the Henry VII, or Royal, Chapel, which is also the Chapel of the Order of the Bath.

He combined his vocation with his sense of drama an an innovatory Good Friday service this year. The abbey, which is usually closed to visitors during the three-hour service, was open and the service held in the nave, chairs put in a circle with a great cross in the center. "We had people coming into the abbey and visiting all the time and walking past people who were worshiping. So it brought home to tourists that it was a very special day and it brought home to the people worshiping there that it was a bit what the Crucifixion was like, that people just came casually, glanced and moved on." The service was called Is it Nothing to You, All Ye Who Pass By?

Although the abbey's history dates to Saxon times, it was given its present status, independent of the jurisdiction of any bishop or archbishop, by Elizabeth I. It is known as a Royal Peculiar and is entirely self-supporting.

Restoration work is done by a trust, which has raised £18 million to date. The next big restoration is of the Henry VII Chapel and Dean Mayne hopes especially that Americans will help. He is even thinking of putting donors' initials —"very small" —on the windows.



Universal Pictorial Press (Mayne)

The Henry VII Chapel is Dean Michael Mayne's next project.

The abbey derives 77 percent of its income from tourists, either from entrance fees to the Henry VII Chapel and Museum or from what they spend in the abbey shop.

While the abbey is not a parish church, Dean Mayne feels it should express a strong community feeling in such activities as regular dinners for AIDS victims and in the courtesy with which tourists are welcomed by staff: "The heart of the faith seems to be the giving attention either to God in prayer or to one another," he says.

Because of its independence, the abbey is also free to take stands on issues that divide the church, such as the ordination of women which both the dean and his chapter favor.

"When the issue is voted on in synod in November there is going to be unhappiness from one point of view and I think we're in a particularly good position then to act as a reconciling body. We shall have a vigil of prayer for the week beforehand for those involved in the vote and we shall try to hold the hands afterwards of those who feel distressed by whatever way the vote has gone."

Another of the dean's responsibilities is to decide who will be memorialized in the abbey, a particularly thorny point when it concerns what is known as Poets' Corner: "All the year people are writing in pressing the case of X, Y or Z. There's almost no room so you can do only one or two a year." He plans to use two blank lancet windows in the south transept for the inscription of 40 names, which means that at the current rate he has found space for 20 years.

This year, there was great pressure on Dean Mayne, from the prime minister down to literary societies, to admit Anthony Trollope. The dean has no objection to Trollope but did not like the pressure and has reserved his verdict until September.

Decisions are made by the dean and the chapter with three criteria. The first is whether the person's contribution is a major one, the second is whether his or her work will be remembered in 100 years time. The third is more subtle: "Is this someone who in their lifetime was so militarily atheist that it would be destructive of their integrity to fetch them into the church?"

Right now he is planning to seek advice from literary experts on the candidature of Oscar Wilde. The one writer he was determined to get into Poets' Corner was John Clare (1793-1864), the son of a laborer who spent most of his life in a lunatic asylum. "I wasn't very objective about him," Dean Mayne said. The stone, which is lovely, reads, "Fields were the essence of the song."

It costs more than £2 million a year to run Westminster Abbey: shrine, tourist attraction, theater. "It is all that," Mayne says. "A great temple of English history, a shrine if you like to the great and the good and a marvelous diversity of the important and unimportant, with everything from the moving tablet to Jane Lister Dear Child Died 1688 to the 30-foot tomb of Baron Hunsdon, Elizabeth the First's cousin."

Above all, the abbey is a church. "I think you have to accept that if you are in charge of a great historic monument, a treasure house really, it is going to be packed with tourists," Dean Mayne says. "This is a very trite thing to say, really, but you just hope that some of them may possibly end as pilgrims."

LANGUAGE

For Ecdysiasts: Ode on the G-String

By William Safire

WASHINGTON — Chief Justice William H. Rehnquist announced the judgment of the Supreme Court in the case of Barnes v. Glen Theatre — in which Justices Scalia and Souter concurred — and delivered an opinion in which Justices O'Connor and Kennedy joined. (You can *concur in* a judgment without *joining* an opinion; you cannot *concur in* an opinion without *joining* in a judgment.)

"We . . . now hold," goes the law of the land, "that the Indiana statutory requirement that the dancers in the establishments involved in this case must wear pasties and a G-string does not violate the First Amendment."

Souter, who seemed in recent hearings to have led a sheltered life, concurs. "Pasties and a G-string moderate the expression to some degree, to be sure," he said, but "the limitation is minor when measured against the dancer's remaining capacity and opportunity to express the erotic message."

Right judgment, but for the wrong reason. Scalia held. "The state is regulating conduct, not expression," he wrote, and First Amendment scrutiny is not involved. Nor is the law's moral purpose to protect only nonconsenting parties from offense. "The purpose of Indiana's nudity law would be violated, I think, if 60,000 fully consenting adults crowded into the Hoosierdome to display their genitals to one another, even if there were not an offended innocent in the crowd."

That aroused Justice White, who, in a dissent joined by Justices Marshall, Blackmun and Stevens, thundered: "No one can doubt, however, that those same 60,000 Hoosiers would be perfectly free to drive to their respective homes all across Indiana and, once there, to parade around, cavort and revel in the nude for hours in front of relatives and friends. It is difficult to see why the state's interest in morality is any less in that situation, especially if, as Justice Scalia seems to suggest, nudity is inherently evil."

Let me step in at this point, as one who infrequently cavorts nude in front of relatives and friends but who looks forward to his next thrilling visit to the Hoosierdome. Although the court's opinion twice included Indiana's no-holds-barred definition of nudity (which can be delicately summarized in family newspapers as "it ain't the teat, it's the tumidity"), nowhere in this landmark decision can the concerned public find the meanings and origins of *pastie* and *G-string*. It is as if the justices hastily assumed we all knew what these terms signify, or were determined to participate in an etymological cover-up.

Pastie. In John Ayto's Dictionary of Word Origins, to be published in September by Arcade, the root of *paste* is traced to the Greek verb *passein*, "to sprinkle"; the noun originally meant a barley porridge. Late Latin borrowed it as *pasta* and Old French as the basis of pastry; both words are with us today and excite no outrage except among dieters. Sometimes pasta sticks together, leading to *paste* in the sense of a whitish flour-and-water mixture with the character of glue, which led to the adjective *pasty-faced* and brings us to the noun *pasties*.

Pasties are coverings for the nipples of a stripteaser's (or erotic dancer's) breasts and are affixed by paste, glue, stickum or other mild adhesive. They usually glitter as if dusted by reflecting particles, recalling the earliest Greek meaning, "to sprinkle." The first Oxford citation is from the Washington Post in 1961: "Miss Mason was lying on the floor with nothing on except the scantiest of brassieres, known in the trade as 'pasties.'" However, Fred Mish at Merriam-Webster has just come up with an earlier citation: Earl J. Abbot wrote in True Police Cases in 1954, "'Pasties' —adhesive coverings for breast points —sell at $1.50 a pair and up." (Mish adds, "*Breast points.*")

□

Got that, brother Souter? Now, brother Rehnquist, to *G-string*. This is not derived from the first string on a double bass, the third on the viola or the fourth on the violin. That musical term was first used in print in 1831, without a hyphen, in a review of a performance by the violin virtuoso Niccolò Paganini, extolling the "surpassing beauty of . . . his performance on the single string (the fourth, or G string)."

The origin is in the American frontier. The *geestring* was a loincloth, or the string or thong supporting a piece of cloth enclosing the genitals, worn by American Indians and some settlers unconcerned with conventions of dress. In "Western Wilds, and the Men Who Redeem Them," John H. Beadle wrote in 1877: "Around each boy's waist is the tight 'geestring,' from which a single strip of cloth runs between the limbs from front to back." Fourteen years later, Harper's Magazine may have confused the loincloth's name with the musical term: "Some of the boys wore only 'G-strings' (as, for some reason, the breech-clout is commonly called on the prairie)." The slanguist Robert Hendrickson speculates that the G stands for "groin," then considered a word not to be used in polite society.

A stripteaser (or *ecdysiast*, from the Greek for "one who molts," coined by H. L. Mencken at the urgent request of Georgia Sothern, the stripper, but rejected by Gypsy Rose Lee, author of "The G-String Murders") is apt to call her costume a *gadget*. The G-string is unrelated to the space agency's *G-suit*, with its *G* standing for "gravity," and to *G spot*, an erogenous area on the upper vaginal wall first described by Ernst Graefenberg, a gynecologist, and named after him.

□

My favorite verb in the Hoosierdome Follies, as court-watchers call Barnes v. Glen Theatre, is White's *cavort*. It means "prance," and may come from *curvet*, a jump by a frolicking horse in which both hind legs leave the ground before the forelegs are set down. *Parade around* is vivid, too; while a sense of the verb *parade* means generally "to show off," the compound *parade around* nicely narrows the meaning to an individual showing himself or herself off, often in the nude.

The best use of language in the case was by Judge Richard A. Posner of the 7th U.S. Circuit Court of Appeals, who concurred in the judgment that nude dancing can indeed be covered by freedom of expression, a decision later reversed by the Rehnquist majority: "The true reason I think for wanting to exclude striptease dancing from the protection of the First Amendment is not any of the lawyers' classification games . . . such as expression versus nonexpression, ideas versus emotions, art versus entertainment, or speech versus conduct. It is a feeling that the proposition 'the First Amendment forbids the State of Indiana to require striptease dancers to cover their nipples' is ridiculous."

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